



Modimolle Local Municipality

2012/13 Medium Term Revenue and Expenditure Framework (MTREF)

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Part 1 – INTRODUCTION

Municipal Budgeting

Financial plans have separate budgets for operations and capital investments. This ensures that municipalities do not finance their operational expenses by obtaining loans, but rather helps them to be financially viable.

Operating Budget

This part of the budget shows how much money is spent on running the administration and delivering the day-to-day services including the maintenance of existing assets and infrastructure. It shows where this money comes from (sources of revenue). This income may be from rates and taxes, service charges and inter –governmental transfers.

Capital Budget

This part of the budget shows how much money local government is planning to invest in infrastructure or other capital assets. Municipalities have to know how much will be spent on this item each year, and where the money for this spending will come from. This part of the budget is called the **capital budget** because it is used for new physical development, or infrastructure investment.

The MFMA requires municipalities to prepare balanced budgets. This means that they have to make reasonable estimates of income and match it to anticipated expenditure.

Part 2 - ANNUAL BUDGET

1. MAYORS' REPORT

Dumelang, goeie middag, good afternoon, thobela,

Honourable Speaker

I would like to offer the sincere condolences of the municipality and myself to the family of the Former Speaker of Council, Mr Joas "Basie" Mashao, Chief Whip mother and sister who passed away the past month. We also want to extend our condolences to the Bonnet, Hloaela's and any other tragic incidents which occur during the past months. We don't leave all our community who passed away of which we cannot mention them all. We convey our sincere condolences to all.

Moment of Silence

We are currently receiving bad media coverage in terms of the horrible incidents that are happening in our Municipality to mention Mr Kotze, Pakistan's murder cases which they are still appearing before Courts for their deeds. Although we respect their Rights which are enshrined in our Constitution but we still believe that "No bail" for them and they qualify for Life Sentences.

Honourable Speaker

We as the government we grafted Laws especially the Constitution which is the supreme law to avoid the incidents happen. Chapter 2 with reference to Bill of Rights are the strong pillars of democracy.

Many South Africans this year celebrated the Constitution of our country which is regarded as the best amongst the world. We also join the Constitutional Court and the Government by celebrating the importance of this documents.

We have converged here today after celebrating "Africa Day". It reminds us of the African Renaissance and African Diaspora. We salute the African Union and the ideas of Kwame Nkruma, Mwalimu Julius Nyerere, Samora Machel, Tata Madiba Mandela and Oliver Tambo, to mention a few.

Honourable Speaker

Let me congratulate the African National Congress for celebrating 100 years (centenary) in existence. We celebrated the event in Mangaung and also in the Sekhukhune area. As we know that there will be more programmes that will be unfolding in Limpopo, we should also participate in celebrations.

“Re golele ANC re golele! Tshukudu go wena e be mosimanyana”

It is our duty as Council to ensure that community needs are recognised through participatory democracy in the forms of public hearings. Our success in administration depends solely on collective efforts of working together to build better communities.

We are committed to the electoral mandates and the African National Congress Manifesto to deal with 5 Key Government priorities which are as follows:

- Education
- Health
- Decent Work
- Fighting Crime and Corruption
- Rural development and land reform

During our strategic planning session the following priorities were identified as a greater weight for the municipality to realise its strategic intent, namely:

- Ageing Infrastructure
- Ownership of suitable land
- Functioning systems
- Competency development
- Revenue Collection
- Economic growth and job creation
- Youth skills base of the community
- Socio-economic development

It is therefore imperative for us to address these issues through the development of relevant strategic objectives and outcomes and ensure that the SDBIP's are implemented.

Honourable Speaker

Commitment is one of the Municipal values that we identified and we make a commitment that all staff members, especially the Management will sign and commit themselves to the pledge. The pledge should be on services that are promised to the communities.

Together we can build better infrastructure.

The President of the country President Cde Jacob Zuma when delivering the State of the Nation declared this year message as the year of “Infrastructure Development”.

We are not deviating from our five (5) key priorities which are still the corner stone of our Manifesto. Through this infrastructure development jobs will be created and we will fight crime and corruption.

Honourable Speaker

John Kotte said ***“Leaders establish the vision for the future and set the strategy for getting there, they cause change. They motivate and inspire others to go in the right direction and they along with everyone else sacrifice to get there.”***

Honourable Speaker

We are committed to improving our infrastructure.

This Budget will take cognisance of the National Key Performance Indicators.

KPA 1

Key Performance Area on Service Delivery and Infrastructure Development

We are still committed to provide free basic services to our community. Indigent consumers will not be liable to pay for municipal services except where they exceed the free basic services provided by Council. We are still recognising our indigent community by providing free basic services as follows:

- 75kwh of electricity
- 6kl water
- Free refuse removal
- Sewerage free
- Free Property Rates

Lets encourage people to apply and also to pay for the service rendered.

On Electricity

We want to acknowledge and also reiterate on what the President mentioned during the State of the Nation Address about ESKOM tariffs. The tariffs of ESKOM are very high for our community. Community are urge to use Water and Electricity sparingly.

The community will recall that currently we are upgrading our substation and ESKOM is in progress. We are going to start with the electrification at Extension 10 during this financial year.

This are the following projects identified per ward:

Streetlights for Phagameng Ext 9	R 297 628
Streetlights for Extension 7	R 595 256
Streetlights for Extension 10	R 595 256
Mabatlane Streetlight Ext 4	R 595 256
Modimolle Streetlights	R 297 628
Electrification of Phagameng Ext 10	R3 000 000 (DME)
Energy Efficiency and Demand	R8 000 000 (DME)

Roads and Storm Water Drainage

Phagameng Street and Stormwater Phase 4 (Phelindaba, Thulare) etc	R3 019 356 (Ward 7)
Paving of Freedom Park Ring Road	R2 800 000 (Ward 9)
Modimolle Paving of streets	R1 712 878 (Ward 8)
Paving of Freedom Park Ring Road	R2 800 000 (Ward 9)
Road intersection of Joe Slovo and Limpopo	R3 000 000 (Ward 8)

Water and Sanitation

Modimolle Waste Water Treatment Plant Phase 2	R11 031 040 (Ward 8)
Mabatlane Sewer Package Plant	R 4 000 000 (Ward 1 &3)
Mabaleng Sewer Package Plant	R 3 000 000 (Ward 2)
Phagameng Ext 11 Water Reticulation	R 1 000 000 (Ward 6)
Finalisation of Township Establishment	
Leseding Ext 3 (Phase 1, 2 & 3)	R 500 000

KPA 2

Local Economic Development

We are proud to announce that Local Economic Development Strategy is been approved and implemented. Agricultural Sector is the most comparative sector with a high local quotient. The SMME's for example of A Rehudisaneng and emerging farmers around are our pillars of economic growth.

These are the following projects for LED:

Launching of LED Strategy	R350 000
Development of Business Investment Retention	R150 000
	<u>Funding</u>
<ul style="list-style-type: none"> Agri-Village - Mabatlane Mabaleng Modimolle 	R150 000 (PPP)

KPA 3

Financial Viability

Systems and policies are in place to ensure good governance and financial viability.

We are pronouncing in these August meeting that we have established the MPAC (Municipal Public Account Committee) chairing by Clr R P Mashaba. The establishment of the Committee will enhance the ideal of achieving Clean Audit by 2014 which is the Ministerial resolution.

We acknowledge the Auditor General outcome for the past financial year which are as follows:

2008/2009	-	Qualified Report
2009/2010	-	Qualified Report
2010/2011	-	Adverse Opinion

The MPAC and Audit Committee will monitor and evaluate any outstanding queries before the Auditor General Audit for the financial year 2011/2012.

Debt Collection and Credit Control

As the Municipality we are not doing well in collecting Revenue. For this institution to deliver services to the community, more emphasis should be put on Revenue Enhancement Strategy. We have appointed a service provider for defaulters to assist in recovering money.

As Councillors let's preach to our constituency to pay services. Although we acknowledge the Indigent Register to be at 5050 (Five Thousand and Fifty) currently. We should also highlight that if they exceed the free basis services standard tariff they should pay for the differences. Collection rate for now is at 73%. We collected an amount of R178 847 357 for the last financial year.

KPA 4

Good Governance

We are proud to announce that all our Ward Committees are functional and the policy of Ward Committee Establishment is under review for Committees to submit it to Council for approval. Ward Committees are given stipend of R1 000,00 to assist in co-operatives governance.

All our committees are functional e.g. Portfolio Committees, Audit Committees etc.

Public Participation

Ward based meeting were co-ordinated with the focus of the identification of ward needs.

KPA 5

Institutional Development and Transformation

We present these Budget where strategic posts of the Chief Financial Officer, Manager: Technical Services been filled. We want to commit ourselves that by the coming month all vacant posts will be filled.

Personnel Expenditure	& Councillors	-	R77 738 000
Repairs and Maintenance		-	R 7 016 000

Provision of Bad Debt	-	R 4 000 000
Capital Expenditure	-	R65 430 000

Municipal Grants as per DORA (Division of Revenue Act)

Equitable Share	-	R56 393 000
FMG	-	R 1 500 000
MSIG	-	R 800 000
MIG	-	R41 343 000
INEP (ESKOM)	-	R 684 000
INEP (Electrification)	-	R 3 000 000
Energy Efficiency	-	R 8 000 000
EPWP	-	R 912 000

The Operational Expenditure per vote allocations are made as follows:

Executive Council	R 20 174 000	8%
Financial Services	R 13 509 000	6%
Corporate Services	R 14 109 000	6%
Social Services	R 37 647 000	16%
Technical Services	R147 186 000	61%
Planning & Development	R 7 614 000	3%

Operational Budget per expenditure

Employee related costs	R 72 247 000	30%
Remuneration of Councillors	R 5 491 000	2%
Bulk Purchases	R 62 500 000	26%
Debt Impairment	R 4 000 000	2%
Depreciation & Assets Impairment	R 37 519 000	4%
Finance Charges	R 3 426 000	1%
Other Materials	R 7 016 000	3%
Contracted Services	R 7 500 000	3%
Other Expenditure	R 40 539 000	17%
TOTAL	R240 238 000	

We made provision of 8% for salary increase for the financial year based on the CPIX (Consumer Price Index) which is at 5,9%.

The Budget is informed in the context of the economic environment we are faced. Our proposal on tariffs is also informed by the Local Economic conditions, unemployment and poverty level.

The increases being proposed for 2012/2013 are as follows:

Water tariffs	-	Increase of 8 -10%
Electricity tariffs	-	as per NERSA communication
Sanitation tariffs	-	Increase of 6%
Waste Removal	-	Increase of 8%
Property Rates	-	Increase of 6%

Honourable Speaker and

Councillors we have taken a stand that all projects that we are having or upcoming we should open them officially. We will lay a stone encrafted with who ever is going to open. We have to show legacy in our municipality.

Honourable Speaker

As you know that we depend mostly on grants and portion of revenue for both capital and operational budget.

The interest rates will be 12,65% per annum for all accounts in arrears. Defaulters will be liable to legal proceeding for the recovery of arrears amount. We are having Debt Collector to enhance of revenue collections.

It is essential for the municipality to be financially viable for services rendered to be sustainable, economically and equitable to all communities.

The total operating revenue has grown by 6.26 percent or R11 million for the financial year when compared to the 2011/2012 Adjustment Budget, respectively equating to total revenue growth of R44,5 million. Total operating expenditure for 2012/2013 financial year has been appropriated at R240 238 000.

The capital budget of R65,430 million for 2012/2013 is at 57.39 percent more when compared to the 2011/2012 Adjustment Budget. The increase is due to more appropriations on capital allocations and additional grants.

Honourable Speaker

Provisioning of water is the fundamental right which is enshrined in our constitution. We want to urge the community to use water sparingly.

We acknowledge the challenges that we are facing in supplying water to other areas in Modimolle especially in Vaalwater / Mabatlane and Ward 6.

Honourable Speaker

We took cognisance of NERSA announcement for revised bulk electricity pricing structure. A 13,5 percent increase, in the ESKOM bulk municipal electricity tariff. We also urge the community and government / official to switch off the light and plugs after working hour.

In conclusion

Serokolo se senyane se ikoketsa ka monkgo

Although this budget does not address all our needs and wants, however it gives some indication how we can better the lives of the community. We have been mandated to provide the service and also to have the Earning nation.

I want to extent the invitation to all the community of Modimolle Councillors to join us on Friday 1 June 2012 at Leseding Sports Ground for Public EXCO and Public participation at 08:30. Schedule of arrival will be circulated to all either today or tomorrow.

Let me thank all who participate in drafting the documents, Portfolio Councillors of Finances, Councillors, Management Team and all our General Workers. We also acknowledge the contribution of Labour in municipal affairs.

Working together we can do more.

I thank you

2. COUNCIL RESOLUTIONS

1. The Council of Modimolle Local Municipality, acting in terms of section 24 of the Municipal Finance Management Act, (Act 56 of 2003) proposed:
 - 1.1. The budget of the municipality for the financial year 2012/13 and the multi-year and single-year capital appropriations as set out in the following tables:
 - 1.1.1. Budgeted Financial Performance (revenue and expenditure by standard classification) as contained in Table 15 on page 37;
 - 1.1.2. Budgeted Financial Performance (revenue and expenditure by municipal vote) as contained in Table 16 on page 39;
 - 1.1.3. Budgeted Financial Performance (revenue by source and expenditure by type) as contained in Table 17 on page 40; and
 - 1.1.4. Multi-year and single-year capital appropriations by municipal vote and standard classification and associated funding by source as contained in Table 18 on page 43.
 - 1.2. The financial position, cash flow budget, cash-backed reserve/accumulated surplus, asset management and basic service delivery targets are approved as set out in the following tables:
 - 1.2.1. Budgeted Financial Position as contained in Table 19 on page 45;
 - 1.2.2. Budgeted Cash Flows as contained in Table 20 on page 47;
 - 1.2.3. Cash backed reserves and accumulated surplus reconciliation as contained in Table 21 on page 47;
 - 1.2.4. Asset management as contained in Table 22 on page 49; and
 - 1.2.5. Basic service delivery measurement as contained in Table 23 on page 53.
2. The Council of Modimolle Local Municipality, acting in terms of 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) propose:
 - 2.1. The tariffs for electricity – as set out in Annexure A
 - 2.2. The tariffs for the supply of water – as set out in Annexure B
 - 2.3. The tariffs for the refuse removal – as set out in Annexure C
 - 2.4. The tariffs for the sanitation – as set out in Annexure D
 - 2.5. The tariffs for the property rates – as set out in Annexure E
3. The Council of Modimolle Local Municipality, acting in terms of 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) propose to approve and adopts with effect from 1 July 2012 the tariffs for other services, as set out in Annexure H

4. The Council of Modimolle Local Municipality propose to approve and adopt with effect from 1 July 2012 the following:
 - 4.1. Interest at the rate of 12,65% per annum on all accounts in arrears.
 - 4.2. Defaulters will be liable to legal proceedings for the recovery of arrear amounts.
5. The Council of Modimolle Local Municipality approve and adopt with effect from 1 July 2012 the following free basic services for indigent consumers per 30-day period:
 - 5.1. 75kwh of electricity
 - 5.2. 6kl water
 - 5.3. free refuse removal
 - 5.4. sewerage
 - 5.5. property rates.

Indigent consumers will not be liable to pay for municipal services except where they exceed the free basic services provided for by Council.

3. **EXECUTIVE SUMMARY**

The application of sound financial management principles for the compilation of the Municipalities financial plan is essential and critical to ensure that the Municipality remains financially viable and that municipal services are provided sustainably, economically and equitably to all communities.

The following table is a consolidated overview of the proposed 2012/13 Medium-term Revenue and Expenditure Framework:

Table 1 Consolidated Overview of the 2012/13 MTREF

Description R thousands	Adjusted Budget 2011/12	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Total Operating Revenue	183,498	194,982	210,342	228,045
Total Operating Expenditure	208,768	240,238	254,870	272,052
<i>Surplus/(Deficit) for the year</i>	-25,270	-45,256	-44,528	-44,007
Total Capital Expenditure	41,572	65,430	51,602	44,009

Total operating revenue has grown by 6.26 percent or R11 million for the financial year when compared to the 2011/12 Adjustment Budget. For the two outer years, operational revenue will increase by 7.88 and 8.42 percent respectively, equating to a total revenue growth of R44.5 million over the MTREF when compared to the 2011/12 financial year.

Total operating expenditure for the 2012/13 financial year has been appropriated at R240.238 million and translates into a budgeted deficit of R45.3 million. When compared to the 2011/12 Adjustments Budget, operational expenditure has gone down by 15 percent in the 2012/13 budget and grown by 6.1 and 6.74 percent for each of the respective outer years of the MTREF.

The capital budget of R65.43 million for 2012/13 is 57.39 percent more when compared to the 2011/12 Adjustment Budget. The increase is due to more appropriations on capital allocations and an additional grants allocated (integrated national electrification programme and electric demand side management) and the upgrading of the internal electrification reticulation (borrowing). The capital programme decreases to R51,602 million in the 2013/14 financial year and then evens out in 2014/15 to R44 million. The capital budget for the financial year 2012/13 will be funded from government grants and a loan.

1. **Operating Revenue Framework**

The following table is a summary of the 2012/13 MTREF (classified by main revenue source):

Table 2 Summary of revenue classified by main revenue source

Description R thousand	2008/9	2009/10	2010/11	Current Year 2011/12		2012/13 Medium Term Revenue &		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
Revenue By Source								
Property rates	11,303	12,907	15,906	16,870	17,000	18,837	20,040	21,466
Property rates - penalties & collection charges	-	-	-	-	-	-	-	-
Service charges - electricity revenue	32,496	44,345	53,428	64,770	63,586	63,000	70,712	78,600
Service charges - water revenue	13,894	16,802	21,859	25,300	23,900	28,500	30,200	32,000
Service charges - sanitation revenue	6,839	7,510	8,024	8,480	7,100	7,600	8,052	8,650
Service charges - refuse revenue	5,181	5,821	6,158	6,540	4,740	5,117	5,578	6,084
Service charges - other	-	-	-	-	-	-	-	-
Rental of facilities and equipment	122	204	160	150	150	71	76	80
Interest earned - external investments	4,507	3,243	2,914	2,100	2,000	1,500	1,600	1,600
Interest earned - outstanding debtors	1,420	1,972	2,831	2,000	3,500	2,000	1,900	1,800
Dividends received	-	-	-	-	-	-	-	-
Fines	85	144	71	152	152	123	133	143
Licences and permits	-	-	-	-	-	-	-	-
Agency services	1,960	2,626	2,667	3,000	3,000	3,180	3,339	3,506
Transfers recognised - operational	29,262	39,107	50,989	55,302	56,150	62,293	65,953	71,182
Other revenue	81,545	2,147	4,378	2,320	2,220	2,762	2,759	2,933
Gains on disposal of PPE	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)	188,614	136,829	169,386	186,985	183,498	194,982	210,342	228,045

Table 3 Percentage growth in revenue by main revenue source

Revenue By Source								
Property rates	17,000	9%	18,837	9%	20,040	9%	21,466	9%
Service charges - electricity revenue	63,586	35%	63,000	32%	70,712	34%	78,600	34%
Service charges - water revenue	23,900	13%	28,500	14%	30,200	14%	32,000	14%
Service charges - sanitation revenue	7,100	4%	7,600	5%	8,052	4%	8,650	4%
Service charges - refuse revenue	4,740	3%	5,117	3%	5,578	3%	6,084	3%
Rental of facilities and equipment	150	0%	71	0%	76	0%	80	0%
Interest earned - external investments	2,000	1%	1,500	1%	1,600	1%	1,600	1%
Interest earned - outstanding debtors	3,500	2%	2,000	1%	1,900	1%	1,800	1%
Fines	152	0%	123	0%	133	0%	143	0%
Agency services	3,000	2%	3,180	2%	3,339	2%	3,506	2%
Transfers recognised - operational	56,150	31%	62,293	30%	65,041	29%	70,469	29%
Other revenue	2,220	1%	2,762	1%	2,759	1%	2,933	1%
Total Revenue (excluding capital transfers and contributions)	183,498	100%	194,982	100%	210,342	100%	228,045	100%
Total Revenue from rates and service charges	116,326	63%	123,053	63%	134,582	64%	146,800	64%

In line with the formats prescribed by the Municipal Budget and Reporting Regulations, capital transfers and contributions are excluded from the operating statement, as inclusion of these revenue sources would distort the calculation of the operating surplus/deficit.

Revenue generated from rates and services charges forms a significant percentage of the revenue basket for the Municipality. Rates and service charge revenues comprise more than 60% of the total revenue mix. In the 2011/12 financial year, revenue from rates and services charges totalled R116.3 million or 63 percent. This increases to R123 million, R134.6 million and R146.8 million in the respective financial years of the MTREF. A notable trend is the increase in the total percentage revenue generated from rates and services charges which increases from 63 percent in 2012/13 to 64 percent in 2014/15. This growth can be mainly attributed to the increased share that the sale of electricity contributes to the total revenue mix, which in turn is due to rapid increases in the Eskom tariffs for bulk electricity. The above table includes revenue foregone arising from discounts and rebates associated with the policies of the Municipality. Details in this regard are contained in Table 24 MBRR SA1 (see page 54).

Operating grants and transfers totals R56.1 million in the 2011/12 financial year and steadily increases to R70.4 million by 2014/15. Note that the year-on-year growth for the 2012/13 financial year is 11 percent. The following table gives a breakdown of the various operating grants and subsidies allocated to the municipality over the medium term:

Table 4 Operating Transfers and Grant Receipts

Description R thousand	2008/09	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue &		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
RECEIPTS:									
Operating Transfers and Grants									
National Government:	29,656	39,403	48,276	53,766	51,943	51,943	60,697	65,041	70,469
Local Government Equitable Share	27,626	35,918	44,945	50,075	48,252	48,252	56,393	60,536	65,544
Finance Management	1,295	2,750	1,948	1,250	1,250	1,250	1,500	1,500	1,750
Municipal Systems Improvement	735	735	604	790	790	790	800	900	950
Municipal Infrastructure Grant (MIG)			779	1,651	1,651	1,651	2,004	2,105	2,225
Provincial Government:	-	-	-	-	-	-	684	912	713
Integrated National Electrification Programme	-						684	912	713
District Municipality:	-	44	2,000	1,000	1,000	1,000	-	-	-
Waterberg District			2,000	1,000	1,000	1,000	-		
Mabatlane Water Supply		44	-						
Other grant providers:	-	530	-	536	536	536	912	-	-
DWA		530	-						
EPWP				536	536	536	912		
Total Operating Transfers and Grants	29,656	39,977	50,276	55,302	53,479	53,479	62,293	65,953	71,182

Tariff-setting is a pivotal and strategic part of the compilation of any budget. When rates, tariffs and other charges were revised, local economic conditions, input costs and the affordability of services were taken into account to ensure the financial sustainability of the Municipality.

National Treasury continues to encourage municipalities to keep increases in rates, tariffs and other charges as low as possible. Municipalities must justify in their budget documentation all increases in excess of the 6 percent upper boundary of the South African Reserve Bank's inflation target. Excessive increases are likely to be counterproductive, resulting in higher levels of non-payment.

The percentage increases of both Eskom and Magalies Water bulk tariffs are beyond the mentioned inflation target. Given that these tariff increases are determined by external agencies, the impact they have on the municipality's electricity and in these tariffs are largely outside the control of the Municipality. Discounting the impact of these price increases in lower consumer tariffs will erode the Municipality's future financial position and viability.

It must also be appreciated that the consumer price index, as measured by CPI, is not a good measure of the cost increases of goods and services relevant to municipalities. The basket of goods and services utilised for the calculation of the CPI consist of items such as food, petrol and medical services, whereas the cost drivers of a municipality are informed by items such as the cost of remuneration, bulk purchases of electricity and water, petrol, diesel, chemicals, cement etc. The current challenge facing the Municipality is managing the gap between cost drivers and tariffs levied, as any shortfall must be made up by either operational efficiency gains or service level reductions. Within this framework the Municipality has undertaken the tariff setting process relating to service charges as follows.

1.1 Property Rates

Property rates cover the cost of the provision of general services. Determining the effective property rate tariff is therefore an integral part of the municipality's budgeting process.

National Treasury's MFMA Circular No. 51 deals, inter alia with the implementation of the Municipal Property Rates Act, with the regulations issued by the Department of Co-operative Governance. These regulations came into effect on 1 July 2009 and prescribe the rate ratio for the public service infrastructure and agricultural properties relative to residential properties to be 0,25:1. The implementation of these regulations was done in the previous budget process and the Property Rates Policy of the Municipality has been amended accordingly.

The following stipulations in the Property Rates Policy are highlighted:

- The first R15 000 of the market value of a property used for residential purposes is excluded from the rate-able value (Section 17(h) of the MPRA);
- 20 percent rebate will be granted on all residential properties (including state owned residential properties);
- 100 percent rebate will be granted to registered indigents in terms of the Indigent Policy;

- For pensioners, physically and mentally disabled persons, a maximum/total rebate of 40 percent will be granted to owners of rate-able property if the total gross income of the applicant and/or his/her spouse, if any, does not to exceed the amount equal to R5 700.00 per month. In this regard the following stipulations are relevant:
- The rate-able property concerned must be occupied only by the applicant and his/her spouse, if any, and by dependants without income;
- The applicant must submit proof of his/her age and identity and, in the case of a physically or mentally handicapped person, proof of certification by a Medical Officer of Health, also proof of the annual income from a social pension;
- The applicant's account must be paid in full, or if not, an arrangement to pay the debt should be in place; and
- The property must be categorized as residential.

The categories of rate-able properties for purposes of levying rates and the proposed rates for the 2012/13 financial year based on a 6 percent increase from 1 July 2012 is contained below:

Table 5 Comparison of proposed rates to be levied for the 2012/13 financial year

Category	Current Tariff (1 July 2011)	Proposed tariff (from 1 July 2012)
	Cent	Cent
Residential properties	0.51	0.54
State owned properties	1.94	2.06
Business & Commercial	1.94	2.06
Agricultural	0.13	0.14
Vacant land - Residential	0.51	0.54
Vacant land – Business & Commercial	1.94	2.06
Industrial	1.94	2.06
Mining Property	1.94	2.06
Public benefit organisation properties	0.13	0.14

1.2 Sale of water and impact of Tariff Increases

South Africa faces similar challenges with regard to water supply as it did with electricity, since demand growth outstrips supply. Consequently, National Treasury is encouraging all municipalities to carefully review the level and structure of their water tariffs to ensure:

- Water tariffs are fully cost-reflective – including the cost of maintenance and renewal of purification plants, water networks and the cost associated with reticulation expansion;
- Water tariffs are structured to protect basic levels of service and ensure the provision of free water to the poorest of the poor (indigent); and
- Water tariffs are designed to encourage efficient and sustainable consumption.

In addition National Treasury has urged all municipalities to ensure that water tariff structures are cost reflective by 2014.

Better maintenance of infrastructure, new dam construction and cost-reflective tariffs will ensure that the supply challenges are managed in future to ensure sustainability. Magalies Water has increased its bulk tariffs with 8 percent from 1 July 2012.

A tariff increase of 8 percent for Modimolle/Phagameng and 10% for Vaalwater/Alma from 1 July 2012 for water is proposed. This is based on input cost assumptions of 8 percent increase in the cost of bulk water (Magalies Water), the cost of other inputs increasing by 6 percent..

A summary of the proposed tariffs for households (residential) and non-residential are as follows:

Table 6 Proposed Water Tariffs

CATEGORY	CURRENT TARIFFS 2011/12	PROPOSED TARIFFS 2012/13
	Rand per kl	Rand per kl
RESIDENTIAL:		
<u>Modimolle/Phagameng</u>		
- 0 - 20 kl per 30-day period	R8.49	R9.17
- more than 20 kl per 30-day period	R11.45	R12-37
<u>Vaalwater/Alma</u>		
- 0 – 20 kl per 30-day period	R6.37	R7-00
- more than 20 kl per 30-day period	R10.19	R11-21
BUSINESS:		
Modimolle/Phagameng	R11.88	R12-83
Vaalwater/Alma	R10.75	R11-83

CATEGORY	CURRENT TARIFFS 2011/12	PROPOSED TARIFFS 2012/13
	Rand per kl	Rand per kl
BULK:		
Modimolle/Phagameng	R11.03	R11-91
Kokanje Retirement Village	R9.90	R10-69
Vaalwater/Alma		
- 0 - 5 kl per 30-day period	R3.25	R3-58
- 6 -10 kl per 30-day period	R4.81	R5-29
- 11 - 30 kl per 30-day period	R6.79	R7-47
- more than 30 kl per 30-day period	R7.94	R8-73
MUNICIPAL	R7.64	R8-25

The following table shows the impact of the proposed increases in water tariffs on the water charges for a single dwelling-house:

Table 7 Comparison between current water charges and increases (Domestic)

Monthly Consumption kl	Current Amount Payable R	Proposed Amount Payable R	Difference (Increase) R	Percentage Change
Modimolle/Phagameng:				
15	127.35	137.55	10.20	8%
25	227.05	245.25	18.20	8%
Vaalwater/Alma				
15	95.55	105.00	9.45	10%
25	178.35	196.05	17.70	10%

The tariff structure of the 2010/11 financial year has not been changed. The tariff structure is designed to charge higher levels of consumption a higher rate.

1.3 Sale of Electricity and Impact of Tariff Increases

NERSA has announced the revised bulk electricity pricing structure. A 13.5 percent increase in the Eskom bulk electricity tariff to municipalities will be effective from 1 July 2012.

Considering the Eskom increases, the domestic consumer tariff had to be decreased with the introduction of a monthly basic charge. Registered indigents will again be granted 75 kWh per 30-day period free of charge.

The following table shows the impact of the proposed decreases in electricity tariffs on the electricity charges for domestic customers (conventional meters):

Table 8 Comparison between current electricity charges and decreases (Domestic)

Monthly Consumption kWh	Current Amount Payable R	Proposed Amount Payable R	Difference (Increase) R	Percentage Change
50	41.52	33	-8.52	-21%
100	84.52	74	-10.52	-12%
300	256.52	238	-18.52	-7%
500	455.52	442.5	-13.02	-3%
700	690.52	680.5	-10.02	-1%

It should further be noted that NERSA has advised that a stepped tariff structure needs to be implemented from 1 July 2011. The effect thereof will be that the higher the consumption, the higher the cost per kWh. The aim is to subsidise the lower consumption users (mostly the poor). Furthermore a basic charge will be introduced in this financial year as per a directive from NERSA. The municipality proposed a R65.25 basic charge per month.

1.4 Sanitation and Impact of Tariff Increases

A tariff increase of 6 percent for sanitation from 1 July 2012 is proposed. This tariff is based on the size of the property and the amount of sanitation connections.

The following table compares the current and proposed tariffs:

Table 9 Comparison between current sanitation charges and increases

DESCRIPTION	CURRENT TARIFF 2011/12	PROPOSED TARIFF 2012/13
Modimolle/Phagameng		
Basic		
Size of stand:		
0 - 600 m ²	R25-16	R26-67
600 - 1 983 m ²	R50-56	R53-59
1 983 - 2 975 m ²	R66-97	R70-99
2 975 - 3 966 m ²	R83-82	R88-85
3 966 - 4 957 m ²	R100-45	R106-48
4 957 - 9 914 m ²	R117-19	R124-22
above 9 914 m ²	R2-81	R2-98
(every 992 m ²)		
Per toilet	R42-58	R45-13
Vaalwater/Alma		
Basic	As above	As above
Per toilet	R24-84	R26-33
Vacuum tank	R62-58	R66-33

1.5 Waste Removal and Impact of Tariff Increases

A 8 percent increase in the waste removal tariff is proposed form 1 July 2012.

The following table compares current and proposed amounts payable from 1 July 2012:

Table 10 Comparison between current waste removal fees and increases

DESCRIPTION	CURRENT TARIFF 2011/12	PROPOSED TARIFF 2012/13
Residential:		
Modimolle	R63-04	R68-08
Phagameng	R63-04	R68-08
Vaalwater/Alma	R63-04	R68-08
Business:		
Modimolle/Phagameng	R188-79	R203-89
Vaalwater/Alma	R188-79	R203-89
Mini Mass(per day):		
Modimolle	R400-00	R432-00
Vaalwater/Alma	R400-00	R432-00
Bulk:	R1227-53	R1325-73

1.6 Overall impact of tariff increases on households

The following table shows the overall expected impact of the tariff increases on a large and small household, as well as an indigent household receiving free basic services.

Table 11 MBRR Table 14 - Household bills

Description	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework			
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13 % incr.	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Rand/cent										
Monthly Account for Household - 'Middle Income Range'										
Rates and services charges:										
Property rates	182.67	200.93	214.63	232.90	232.90	232.90	6.0%	246.60	261.40	277.08
Electricity: Basic levy	-	-	-	-	-	-		65.25		
Electricity: Consumption	506.80	680.60	830.30	1,083.52	1,083.52	1,083.52	(1.5%)	1,067.50	1,270.93	1,431.31
Water: Basic levy	-	-	-	-	-	-				
Water: Consumption	171.20	201.00	247.20	284.30	284.30	284.30	8.0%	307.04	331.61	358.14
Sanitation	110.99	120.80	128.04	135.72	135.72	135.72	6.0%	143.86	152.49	161.64
Refuse removal	50.09	56.10	59.47	63.04	63.04	63.04	8.0%	68.08	72.17	76.50
Other	-	-	-	-	-	-				
sub-total	1,021.75	1,259.43	1,479.64	1,799.48	1,799.48	1,799.48	5.5%	1,898.33	2,088.60	2,304.67
VAT on Services	117.47	148.19	177.10	219.32	219.32	219.32		231.24	246.12	273.60
Total large household bill:	1,139.22	1,407.62	1,656.74	2,018.80	2,018.80	2,018.80	5.5%	2,129.57	2,334.72	2,578.27
% increase/-decrease		23.6%	17.7%	21.9%	-	-		5.5%	9.6%	10.4%
Monthly Account for Household - 'Affordable Range'										
Rates and services charges:										
Property rates	129.33	142.27	151.97	164.90	164.90	164.90	6.0%	174.60	185.08	196.18
Electricity: Basic levy	-	-	-	-	-	-		65.25		
Electricity: Consumption	252.39	338.94	413.49	453.44	453.44	453.44	(2.4%)	442.50	577.56	647.80
Water: Basic levy	-	-	-	-	-	-				
Water: Consumption	136.60	160.50	197.40	227.05	227.05	227.05	8.0%	245.21	264.83	286.02
Sanitation	56.88	60.29	63.91	67.74	67.74	67.74	6.0%	71.80	76.11	80.68
Refuse removal	50.09	56.10	59.47	63.04	63.04	63.04	8.0%	68.08	72.17	76.50
Other	-	-	-	-	-	-				
sub-total	625.29	758.10	886.24	976.17	976.17	976.17	9.3%	1,067.44	1,175.75	1,287.18
VAT on Services	72.24	89.38	106.15	113.58	113.58	113.58		124.99	129.01	142.48
Total small household bill:	697.53	847.48	992.39	1,089.75	1,089.75	1,089.75	9.4%	1,192.43	1,304.76	1,429.66
% increase/-decrease		21.5%	17.1%	9.8%	-	-		9.4%	9.4%	9.6%
Monthly Account for Household - 'Indigent'										
Household receiving free basic services										
Rates and services charges:										
Property rates	-	-	-	-	-	-		-	-	-
Electricity: Basic levy	-	-	-	-	-	-		-	-	-
Electricity: Consumption	-	-	228.33	236.50	236.50	236.50	9.0%	258.00	283.80	312.18
Water: Basic levy	-	-	-	-	-	-		-	-	-
Water: Consumption	-	-	44.28	50.94	50.94	50.94	8.0%	55.02	59.42	64.17
Sanitation	-	-	63.91	67.74	67.74	67.74	6.0%	71.80	76.11	80.68
Refuse removal	-	-	59.47	63.04	63.04	63.04	8.0%	68.08	72.17	76.50
Other	-	-	-	-	-	-		-	-	-
sub-total	-	-	395.99	418.22	418.22	418.22	8.3%	452.90	491.50	533.53
VAT on Services	-	-	29.29	32.46	32.46	32.46		63.41	68.81	74.69
Total small household bill:	-	-	425.28	450.68	450.68	450.68	14.6%	516.31	560.31	608.22
% increase/-decrease		-	-	6.0%	-	-		14.6%	8.5%	8.6%

2. OPERATING EXPENDITURE FRAMEWORK

The following table is a high level summary of the 2012/13 budget and MTREF (classified per main type of operating expenditure)

Table 12 Summary of operating expenditure by standard classification item

Description R thousand	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue &		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Expenditure By Type									
Employee related costs	41,510	44,273	49,167	61,669	61,078	61,078	72,247	73,696	78,060
Remuneration of councillors	3,167	3,918	3,730	4,903	5,172	5,172	5,491	5,821	6,170
Debt impairment	-	10,902	6,304	4,000	4,000	4,000	4,000	5,000	5,000
Depreciation & asset impairment	9,047	9,349	32,200	35,750	35,750	35,750	37,519	39,443	39,219
Finance charges	727	1,557	1,647	806	2,306	2,306	3,426	4,246	4,305
Bulk purchases	26,380	38,144	45,798	55,560	55,560	55,560	62,500	71,000	80,500
Other materials	3,600	6,530	19,439	8,303	8,401	8,401	7,016	9,810	10,578
Contracted services	3,340	6,939	4,702	4,873	5,601	5,601	7,500	7,700	7,900
Transfers and grants	-	-	-	-	-	-	-	-	-
Other expenditure	21,192	30,723	31,134	36,661	30,900	30,900	40,539	38,155	40,321
Loss on disposal of PPE	3,535	254	-	-	-	-	-	-	-
Total Expenditure	112,498	152,588	194,121	212,526	208,768	208,768	240,238	254,870	272,052

The budgeted allocation for employee related costs for the 2012/13 financial year totals R72 million, which equals 30 percent of the total operating expenditure. The overtime budget equals 31 percent of employee related costs. This is because of aging infrastructure and the expanding of services placing more pressure on our networks. The three year collective SALGBC agreement lapses on the 30 June 2012, in the absence of a new agreement salary increases have been factored into this budget at a percentage increase of 8 percent for the 2012/13 financial year.

The cost associated with the remuneration of councillors is determined by the Minister of Co-operative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998). The most recent proclamation in this regard has been taken into account in compiling the Municipalities budget.

Provision for depreciation and asset impairment has been informed by the Municipality's Asset Management Policy. Depreciation is widely considered a proxy for the measurement of the rate asset consumption. Budget appropriations in this regard total R37.5 million for the 2012/13 financial and equates to 15.6 percent of the total operating expenditure. Note that the implementation of GRAP 17 accounting standard has meant bringing a range of assets previously not included in the assets register onto the register. This has resulted in a significant increase in depreciation.

Finance charges consist primarily of the repayment of interest on long-term borrowing (cost of capital). Finance charges make up 1.4 percent (R3.4 million) of operating expenditure excluding annual redemption for 2012/13 and increases to R4.3 million by 2014/15.

Bulk purchases are directly informed by the purchase of electricity from Eskom and water from Magalies Water. The annual price increases have been factored into the budget ap-

propriations and directly inform the revenue provisions. The expenditures include distribution losses.

Included in the General Expenditure the amount of R5.9 million is allocated to the upgrading of Eskom substation.

3. OPERATING SURPLUS/DEFICIT

The Operating budget shows a deficit of R3 932 000, as per Table A1, and was calculated as follows:

Operating Revenue	R194 982 000.00
Operating Expenditure	(R240 238 000.00)
Balance as per Table A1	(R 45 256 000.00)
Plus: Non cash Items	
Depreciation	R 37 519 000.00
Debt Impairment	R 4 000 000.00
Provision for Landfill site	R 2 500 000.00
Interest for Medical Benefits Provision	R 1 600 000.00
Operating Surplus after Non-Cash Items	R 363 000.00
Less: Phase in of Non-cash Items	(R 363 000.00)
Operating Surplus after Phase in of Non-cash Items	R 0.00

With the implementation of GRAP 17, Property, Plant and Equipment, the municipality had to provide for a larger amount for depreciation. Depreciation has to be phased into the tariff structure so that the renewal of infrastructure assets can be done.

The municipality acknowledges that the full impact of providing for depreciation can't be achieved in one financial year. To lift the burden of the community, depreciation will be phased in the tariff structure over a period.

The municipality will be able to phase in R 363 000 of the R45 619 000 non cash items during this financial year.

3.4 Capital Expenditure

The following table provides a breakdown of budgeted capital expenditure by vote:

Table 13 2012/13 Medium-term capital budget per vote

Vote Description R thousand	Current Year 2010/11		2011/12 Medium Term Revenue & Expenditure Framework					
	Adjusted Budget	%	Budget Year 2011/12	%	Budget Year +1 2012/13	%	Budget Year +2 2013/14	%
Vote1 - Executive & Council	–	0%	–	0%	–	0%	–	0%
Vote2 - Financial Services	10	0%	–	0%	–	0%	–	0%
Vote3 - Corporate Services	–	0%	–	0%	–	0%	–	0%
Vote4 - Social Services	5,850	14%	4,672	7%	7,447	14%	10,447	24%
Vote5 - Technical Services	35,712	86%	60,758	93%	44,155	86%	33,562	76%
Total Capital Budget	41,572	100%	65,430	100%	51,602	100%	44,009	100%

For 2012/13 an amount of R65.4 million has been appropriated for the development of infrastructure which represents 93 percent of the total capital budget. In the outer years

this amount totals R51.6million and R44million respectively for each of the financial years.

Total new assets represent 19 percent or R12.4 million of the total capital budget while asset renewal equates to 81 percent or R53 million. Further detail relating to asset classes and proposed capital expenditure is contained in Table 22 MBRR A9 (Asset Management) on page 49. In addition to the MBRR Table A9, MBRR Tables SA34a, b, c provides a detailed breakdown of the capital programme relating to new asset construction, capital asset renewal as well as operational repairs and maintenance by asset class (refer to pages 85, 86 and 87).

4. ANNUAL BUDGET TABLES

The information in the following Tables A1 to A10 constitutes the Municipalities budget for the 2012/13 financial year and indicative allocations for the 2013/14 and 2014/15 financial years in terms of section 8 of the Municipal Budget and Reporting Regulations.

The Municipality does not have any entities through which it provides municipal services. Instead, services are provided internally through departments. The key departments are Technical and Social Services. In instances where internal capability is limited, services are provided through external services providers. In such instances, Service Level Agreements are entered into with the service providers. Therefore, the budget tables that follow relate to the budget of the municipality only.

Table 14 MBRR Table A1 - Budget Summary

Description	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousands									
Financial Performance									
Property rates	11,303	12,907	15,906	16,870	17,000	17,000	18,837	20,040	21,466
Service charges	58,410	74,479	89,470	105,090	99,326	99,326	104,217	114,542	125,334
Investment revenue	4,507	3,243	2,914	2,100	2,000	2,000	1,500	1,600	1,600
Transfers recognised - operational	29,262	39,107	50,989	55,302	56,150	56,150	62,293	65,953	71,182
Other own revenue	85,132	7,094	10,107	7,622	9,022	9,022	8,136	8,207	8,463
Total Revenue (excluding capital transfers and contributions)	188,614	136,829	169,386	186,985	183,498	183,498	194,982	210,342	228,045
Employee costs	41,510	44,273	49,167	61,669	61,078	61,078	72,247	73,696	78,060
Remuneration of councillors	3,167	3,918	3,730	4,903	5,172	5,172	5,491	5,821	6,170
Depreciation & asset impairment	9,047	9,349	32,200	35,750	35,750	35,750	37,519	39,443	39,219
Finance charges	727	1,557	1,647	806	2,306	2,306	3,426	4,246	4,305
Materials and bulk purchases	29,980	44,674	65,238	63,863	63,961	63,961	69,516	80,810	91,078
Transfers and grants	-	-	-	-	-	-	-	-	-
Other expenditure	28,067	48,818	42,140	45,534	40,501	40,501	52,039	50,855	53,221
Total Expenditure	112,498	152,588	194,121	212,526	208,768	208,768	240,238	254,870	272,052
Surplus/(Deficit)	76,116	(15,759)	(24,735)	(25,542)	(25,270)	(25,270)	(45,256)	(44,528)	(44,007)
Transfers recognised - capital	25,789	22,540	19,579	32,505	39,558	39,558	50,430	41,602	44,009
Contributions recognised - capital & contributed a	66	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	101,970	6,781	(5,157)	6,964	14,287	14,287	5,174	(2,926)	2
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	101,970	6,781	(5,157)	6,964	14,287	14,287	5,174	(2,926)	2
Capital expenditure & funds sources									
Capital expenditure	34,179	25,563	25,518	33,315	41,572	41,572	65,430	51,602	44,009
Transfers recognised - capital	25,789	22,540	19,579	32,505	39,558	39,558	50,430	41,602	44,009
Public contributions & donations	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	15,000	10,000	-
Internally generated funds	8,390	3,023	5,940	810	2,015	2,015	-	-	-
Total sources of capital funds	34,179	25,563	25,518	33,315	41,572	41,572	65,430	51,602	44,009
Financial position									
Total current assets	56,998	55,659	80,321	55,285	78,390	78,390	71,988	64,313	59,200
Total non current assets	222,810	238,980	841,853	762,269	836,912	836,912	845,233	847,491	887,706
Total current liabilities	24,078	31,848	41,556	28,700	28,400	28,400	28,782	29,023	28,949
Total non current liabilities	15,327	17,146	30,818	16,895	30,648	30,648	40,024	52,930	56,586
Community wealth/Equity	240,403	245,644	849,800	771,960	856,254	856,254	848,416	829,851	861,371
Cash flows									
Net cash from (used) operating	26,322	36,016	39,199	33,404	39,692	39,692	47,497	46,005	53,144
Net cash from (used) investing	(33,525)	(25,772)	(27,778)	(33,510)	(41,767)	(41,767)	(65,670)	(51,847)	(44,259)
Net cash from (used) financing	(934)	(611)	(617)	(285)	(235)	(235)	14,128	8,887	(1,039)
Cash/cash equivalents at the year end	9,376	19,009	29,813	2,709	27,500	27,500	23,454	26,500	34,346
Cash backing/surplus reconciliation									
Cash and investments available	27,291	31,589	44,652	28,979	44,724	44,724	43,734	43,349	45,681
Application of cash and investments	12,402	14,399	15,164	14,916	11,468	11,468	18,987	16,025	10,866
Balance - surplus (shortfall)	14,889	17,190	29,488	14,063	33,256	33,256	24,746	27,325	34,815
Asset management									
Asset register summary (WDV)	221,457	236,917	839,547	760,349	834,991	834,991	842,547	844,596	884,582
Depreciation & asset impairment	9,047	9,349	32,200	35,750	35,750	35,750	37,519	39,443	39,219
Renewal of Existing Assets	-	-	16,897	24,684	25,845	25,845	53,035	49,103	41,510
Repairs and Maintenance	3,600	6,529	19,439	8,306	8,401	8,401	21,525	24,978	26,600
Free services									
Cost of Free Basic Services provided	1,041	2,695	-	3,753	3,753	3,753	-	-	-
Revenue cost of free services provided	2,090	5,007	-	5,753	13,435	13,435	14,300	15,000	15,700
Households below minimum service level									
Water:	-	-	-	-	-	-	-	-	-
Sanitation/sewerage:	-	-	-	-	-	-	-	-	-
Energy:	2	2	2	3	3	3	-	-	-
Refuse:	7	7	7	7	7	7	7	7	7

Explanatory notes to MBRR Table A1 - Budget Summary

1. Table A1 is a budget summary and provides a concise overview of the Municipalities budget from all of the major financial perspectives (operating, capital expenditure, financial position, cash flow, and MFMA funding compliance).
2. The table provides an overview of the amounts approved by Council for operating performance, resources deployed to capital expenditure, financial position, cash and funding compliance, as well as the municipality's commitment to eliminating basic service delivery backlogs.
3. Financial management reforms emphasises the importance of the municipal budget being funded. This requires the simultaneous assessment of the Financial Performance, Financial Position and Cash Flow Budgets, along with the Capital Budget. The Budget Summary provides the key information in this regard:
 - a. The operating surplus/deficit (after Total Expenditure) is negative over the MTREF
 - b. Capital expenditure is balanced by capital funding sources, of which
 - i. Transfers recognised is reflected on the Financial Performance Budget;
 - ii. Borrowing recognized is reflected on the Financial Position Budget.
4. The Cash backing/surplus reconciliation shows that in previous financial years the municipality was not paying much attention to managing this aspect of its finances, and consequently many of its obligations are not cash-backed. This places the municipality in a very vulnerable financial position, as the recent slow-down in revenue collections highlighted. Consequently Council has taken a deliberate decision to ensure adequate cash-backing for all material obligations. This cannot be achieved in one financial year. But over the MTREF there is progressive improvement in the level of cash-backing of obligations.
5. Even though the Council is placing great emphasis on securing the financial sustainability of the municipality, this is not being done at the expense of services to the poor. The section of Free Services shows that the amount spent on Free Basic Services and the revenue cost of free services provided by the municipality continues to increase. In addition, the municipality continues to make progress in addressing service delivery backlogs.

Table 15 MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)

Standard Classification Description R thousand	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Revenue - Standard									
<i>Governance and administration</i>	34,936	42,665	54,299	52,322	54,572	57,572	57,535	61,252	65,788
Executive and council	15,131	17,937	21,940	23,547	23,827	23,827	27,367	29,311	31,972
Budget and treasury office	18,828	23,844	29,965	27,812	29,777	32,777	29,232	30,901	32,723
Corporate services	977	884	2,394	963	968	968	936	1,040	1,093
<i>Community and public safety</i>	40,185	3,081	1,661	4,469	7,609	4,609	6,890	9,617	12,750
Community and social services	39,971	2,436	457	2,910	3,050	3,050	2,072	2,681	5,429
Sport and recreation	14	18	25	11	3,011	11	2,785	4,963	5,228
Public safety	200	626	1,180	1,548	1,548	1,548	2,033	1,973	2,094
Housing	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>	16,135	16,320	10,779	9,376	14,737	14,737	18,707	26,356	22,129
Planning and development	156	1,312	936	1,874	2,071	2,071	2,195	2,293	2,424
Road transport	15,979	15,008	9,843	7,503	12,666	12,666	16,512	24,063	19,705
Environmental protection	-	-	-	-	-	-	-	-	-
<i>Trading services</i>	123,212	97,304	122,225	153,323	146,137	146,137	162,281	154,719	171,388
Electricity	82,779	50,765	63,798	75,194	74,727	74,727	87,000	82,293	90,865
Water	16,940	23,060	29,060	38,163	40,525	40,525	35,728	36,893	39,251
Waste water management	17,173	16,135	21,249	30,707	23,426	23,426	31,065	27,316	32,330
Waste management	6,320	7,344	8,118	9,259	7,459	7,459	8,488	8,217	8,942
<i>Other</i>	-	-	-	-	-	-	-	-	-
Total Revenue - Standard	214,469	159,369	188,965	219,490	223,055	223,055	245,412	251,944	272,054
Expenditure - Standard									
<i>Governance and administration</i>	24,884	36,483	34,495	43,244	40,361	40,361	47,905	50,752	53,424
Executive and council	13,745	21,375	17,560	22,692	18,387	18,387	20,174	21,900	22,580
Budget and treasury office	4,873	5,477	8,932	9,324	9,814	9,814	13,509	12,838	13,374
Corporate services	6,267	9,632	8,003	11,229	12,161	12,161	14,222	16,014	17,469
<i>Community and public safety</i>	13,180	14,140	20,938	20,295	20,327	20,327	25,078	26,254	27,585
Community and social services	5,435	7,253	12,957	10,695	10,789	10,789	14,353	15,082	15,749
Sport and recreation	4,428	3,715	4,376	5,034	4,988	4,988	5,403	5,700	6,038
Public safety	3,317	3,171	3,605	4,565	4,550	4,550	5,322	5,472	5,798
Housing	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>	15,059	15,394	26,765	34,158	34,236	34,236	38,957	41,955	42,842
Planning and development	3,962	4,217	4,200	7,143	7,415	7,415	9,618	9,781	10,479
Road transport	11,097	11,176	22,565	27,015	26,821	26,821	29,340	32,174	32,363
Environmental protection	-	-	-	-	-	-	-	-	-
<i>Trading services</i>	59,375	86,571	111,923	114,829	113,844	113,844	128,298	135,909	148,202
Electricity	33,960	55,603	65,415	71,494	72,557	72,557	82,671	87,153	97,403
Water	13,929	18,728	19,331	25,992	25,479	25,479	27,793	31,198	32,227
Waste water management	5,325	5,500	6,622	9,036	8,250	8,250	8,639	9,237	9,783
Waste management	6,160	6,740	20,555	8,308	7,558	7,558	9,196	8,321	8,788
<i>Other</i>	-	-	-	-	-	-	-	-	-
Total Expenditure - Standard	112,498	152,588	194,121	212,526	208,768	208,768	240,238	254,870	272,052
Surplus/(Deficit) for the year	101,970	6,781	(5,157)	6,964	14,287	14,287	5,174	(2,926)	2

Explanatory notes to MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)

1. Table A2 is a view of the budgeted financial performance in relation to revenue and expenditure per standard classification. The modified GFS standard classification divides the municipal services into 15 functional areas. Municipal revenue, operating expenditure and capital expenditure are then classified in terms of each of these functional areas which enables the National Treasury to compile 'whole of government' reports.
2. Note the Total Revenue on this table includes capital revenues (Transfers recognised – capital) and so does not balance to the operating revenue shown on Table A4.
3. Note that as a general principle the revenues for the Trading Services should exceed their expenditures. The table highlights that this is the case for Electricity, Water and Waste water and Waste management function.
4. Other functions that show a deficit between revenue and expenditure are being financed from rates revenues and other revenue sources.

Table 16 MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description R thousand	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Revenue by Vote									
Vote 1 - Executive and Council	15,131	17,937	21,940	23,547	23,827	23,827	27,367	29,311	31,972
Vote 2 - Financial Services	18,828	23,844	29,965	27,812	29,777	29,777	29,232	30,901	32,723
Vote 3 - Corporate Services	613	629	359	840	845	845	900	1,000	1,050
Vote 4 - Social and Community Services	48,465	13,051	12,467	16,742	18,082	18,082	18,558	21,173	25,198
Vote 5 - Technical Services	131,275	103,700	124,076	150,383	150,160	150,160	169,179	169,370	180,912
Vote 6 - Planning and Development	156	207	157	166	364	364	177	188	199
Example 7 - Vote7	-	-	-	-	-	-	-	-	-
Example 8 - Vote8	-	-	-	-	-	-	-	-	-
Example 9 - Vote9	-	-	-	-	-	-	-	-	-
Example 10 - Vote10	-	-	-	-	-	-	-	-	-
Example 11 - Vote11	-	-	-	-	-	-	-	-	-
Example 12 - Vote12	-	-	-	-	-	-	-	-	-
Example 13 - Vote13	-	-	-	-	-	-	-	-	-
Example 14 - Vote14	-	-	-	-	-	-	-	-	-
Example 15 - Vote15	-	-	-	-	-	-	-	-	-
Total Revenue by Vote	214,469	159,369	188,965	219,490	223,055	223,055	245,412	251,944	272,054
Expenditure by Vote to be appropriated									
Vote 1 - Executive and Council	13,745	21,375	17,560	22,692	18,387	18,387	20,174	21,900	22,580
Vote 2 - Financial Services	4,873	5,477	8,932	9,324	9,814	9,814	13,509	12,838	13,374
Vote 3 - Corporate Services	6,187	9,522	7,905	11,120	12,062	12,062	14,109	15,891	17,333
Vote 4 - Social and Community Services	21,301	23,535	44,161	31,611	30,885	30,885	37,647	38,154	40,159
Vote 5 - Technical Services	62,431	89,567	112,084	132,287	131,856	131,856	147,186	158,412	170,352
Vote 6 - Planning and Development	3,962	3,112	3,479	5,492	5,764	5,764	7,614	7,675	8,254
Example 7 - Vote7	-	-	-	-	-	-	-	-	-
Example 8 - Vote8	-	-	-	-	-	-	-	-	-
Example 9 - Vote9	-	-	-	-	-	-	-	-	-
Example 10 - Vote10	-	-	-	-	-	-	-	-	-
Example 11 - Vote11	-	-	-	-	-	-	-	-	-
Example 12 - Vote12	-	-	-	-	-	-	-	-	-
Example 13 - Vote13	-	-	-	-	-	-	-	-	-
Example 14 - Vote14	-	-	-	-	-	-	-	-	-
Example 15 - Vote15	-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	112,498	152,588	194,121	212,526	208,768	208,768	240,238	254,870	272,052
Surplus/(Deficit) for the year	101,970	6,781	(5,157)	6,964	14,287	14,287	5,174	(2,926)	2

Explanatory notes to MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

- Table A3 is a view of the budgeted financial performance in relation to the revenue and expenditure per municipal vote. This table facilitates the view of the budgeted operating performance in relation to the organisational structure of the Municipality. This means it is possible to present the operating surplus or deficit of a vote.

Table 17 MBRR Table A4 - Budgeted Financial Performance

Description	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand									
Revenue By Source									
Property rates	11,303	12,907	15,906	16,870	17,000	17,000	18,837	20,040	21,466
Property rates - penalties & collection charges	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	32,496	44,345	53,428	64,770	63,586	63,586	63,000	70,712	78,600
Service charges - water revenue	13,894	16,802	21,859	25,300	23,900	23,900	28,500	30,200	32,000
Service charges - sanitation revenue	6,839	7,510	8,024	8,480	7,100	7,100	7,600	8,052	8,650
Service charges - refuse revenue	5,181	5,821	6,158	6,540	4,740	4,740	5,117	5,578	6,084
Service charges - other	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment	122	204	160	150	150	150	71	76	80
Interest earned - external investments	4,507	3,243	2,914	2,100	2,000	2,000	1,500	1,600	1,600
Interest earned - outstanding debtors	1,420	1,972	2,831	2,000	3,500	3,500	2,000	1,900	1,800
Dividends received	-	-	-	-	-	-	-	-	-
Fines	85	144	71	152	152	152	123	133	143
Licences and permits	-	-	-	-	-	-	-	-	-
Agency services	1,960	2,626	2,667	3,000	3,000	3,000	3,180	3,339	3,506
Transfers recognised - operational	29,262	39,107	50,989	55,302	56,150	56,150	62,293	65,953	71,182
Other revenue	81,545	2,147	4,378	2,320	2,220	2,220	2,762	2,759	2,933
Gains on disposal of PPE	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)	188,614	136,829	169,386	186,985	183,498	183,498	194,982	210,342	228,045
Expenditure By Type									
Employee related costs	41,510	44,273	49,167	61,669	61,078	61,078	72,247	73,696	78,060
Remuneration of councillors	3,167	3,918	3,730	4,903	5,172	5,172	5,491	5,821	6,170
Debt impairment	-	10,902	6,304	4,000	4,000	4,000	4,000	5,000	5,000
Depreciation & asset impairment	9,047	9,349	32,200	35,750	35,750	35,750	37,519	39,443	39,219
Finance charges	727	1,557	1,647	806	2,306	2,306	3,426	4,246	4,305
Bulk purchases	26,380	38,144	45,798	55,560	55,560	55,560	62,500	71,000	80,500
Other materials	3,600	6,530	19,439	8,303	8,401	8,401	7,016	9,810	10,578
Contracted services	3,340	6,939	4,702	4,873	5,601	5,601	7,500	7,700	7,900
Transfers and grants	-	-	-	-	-	-	-	-	-
Other expenditure	21,192	30,723	31,134	36,661	30,900	30,900	40,539	38,155	40,321
Loss on disposal of PPE	3,535	254	-	-	-	-	-	-	-
Total Expenditure	112,498	152,588	194,121	212,526	208,768	208,768	240,238	254,870	272,052
Surplus/(Deficit)	76,116	(15,759)	(24,735)	(25,542)	(25,270)	(25,270)	(45,256)	(44,528)	(44,007)
Transfers recognised - capital	25,789	22,540	19,579	32,505	39,558	39,558	50,430	41,602	44,009
Contributions recognised - capital	-	-	-	-	-	-	-	-	-
Contributed assets	66	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	101,970	6,781	(5,157)	6,964	14,287	14,287	5,174	(2,926)	2
Taxation	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation	101,970	6,781	(5,157)	6,964	14,287	14,287	5,174	(2,926)	2
Attributable to minorities	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality	101,970	6,781	(5,157)	6,964	14,287	14,287	5,174	(2,926)	2
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	101,970	6,781	(5,157)	6,964	14,287	14,287	5,174	(2,926)	2

Explanatory notes to Table A4 - Budgeted Financial Performance (revenue and expenditure)

1. Total revenue is R294.9 million in 2012/13 and escalates to R228 million by 2014/15. This represents a year-on-year increase of 7.9 percent for the 2013/14 financial year and 8.4 percent for the 2014/15 financial year.
2. Revenue to be generated from property rates is R18.8 million in the 2012/13 financial year and increases to R21.5million by 2014/15 which represents 9.6 percent of the operating revenue base of the Municipality and therefore remains a significant funding source for the municipality.
3. Services charges relating to electricity, water, sanitation and refuse removal constitutes the biggest component of the revenue basket of the Municipality totalling R104.2 million for the 2012/13 financial year and increasing to R125.3 million by 2014/15. For the 2012/13 financial year services charges amount to 53 percent of the total revenue base and grows by 1 percent per annum over the medium-term.
4. Transfers recognised – operating includes the local government equitable share and other operating grants from national and provincial government. It needs to be noted that in real terms the grants receipts from national government are growing by 14 percent for the two outer years. The percentage share of this revenue source declines due to the more rapid relative growth in service charge revenues.
5. The following graph illustrates the major expenditure items per type.

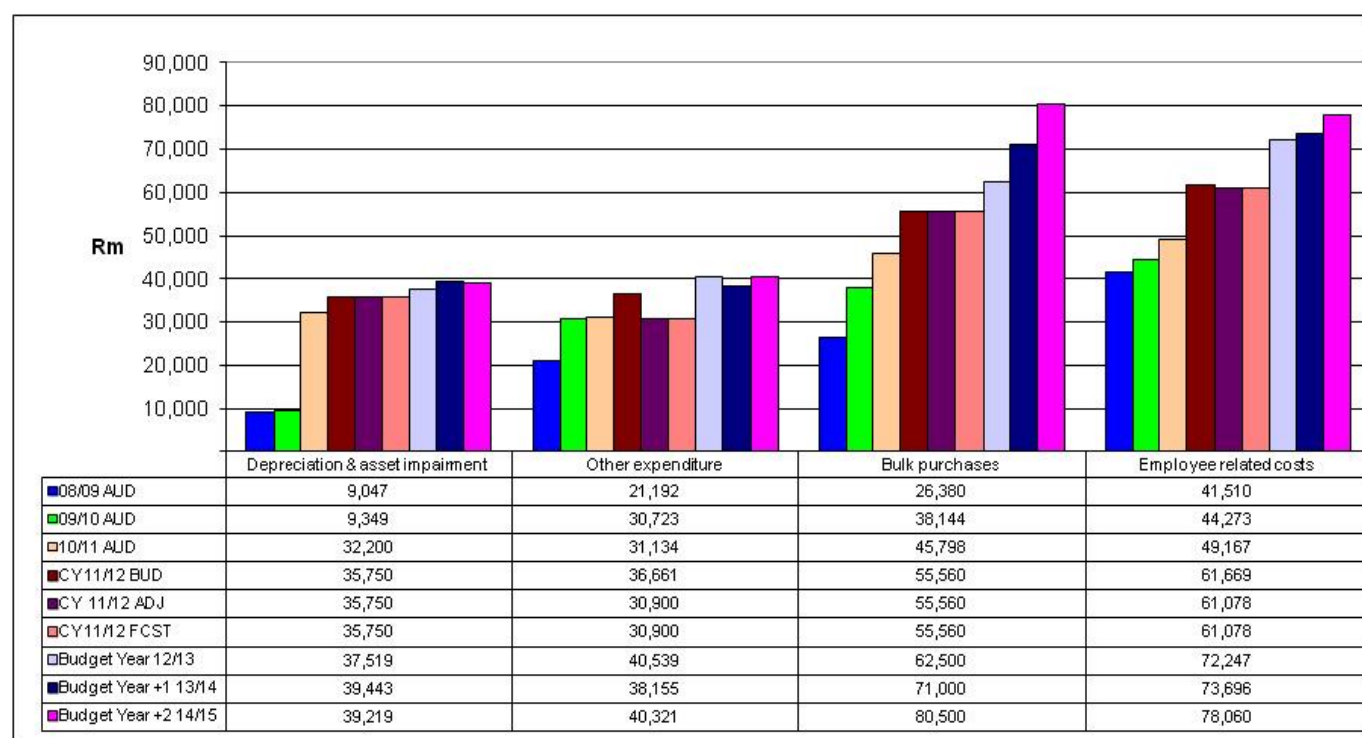


Figure 1 Expenditure by major type

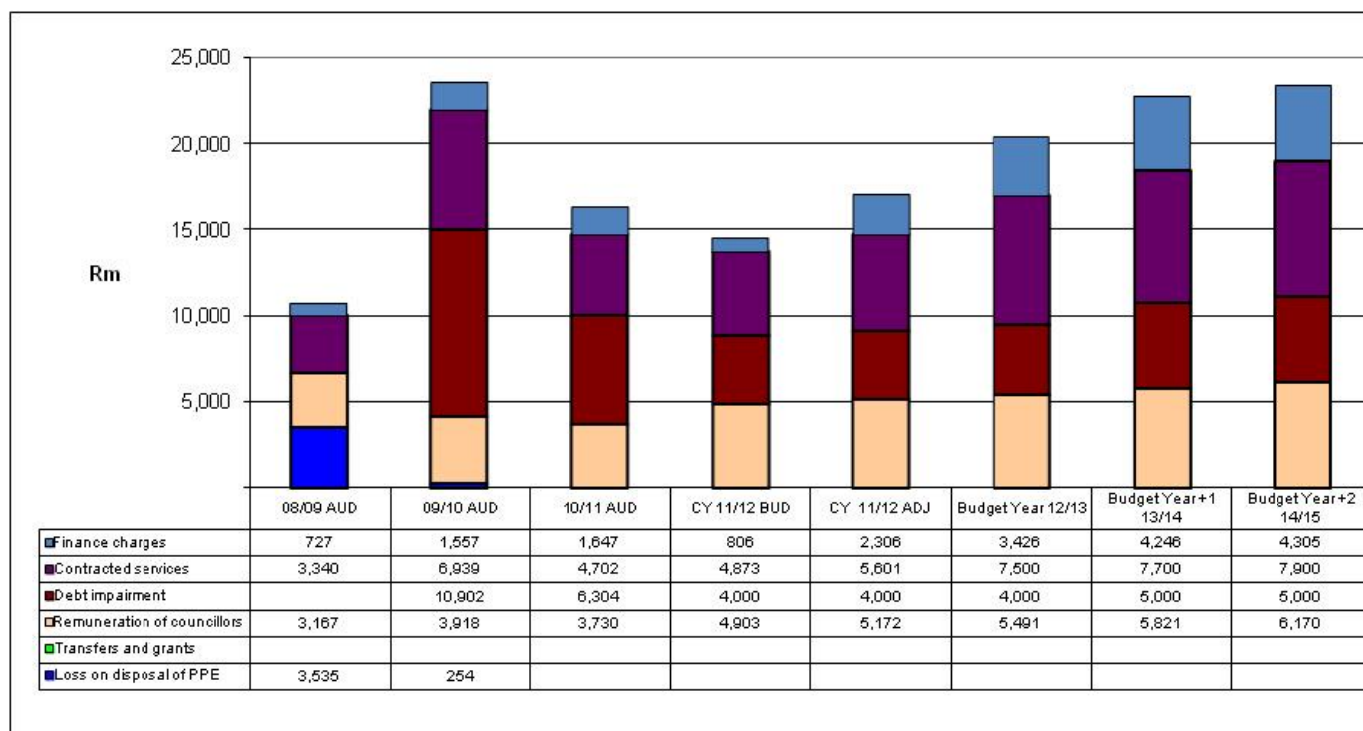


Figure 2 Expenditure by minor type

6. Bulk purchases have significantly increased over the 2008/09 to 2014/15 period escalating from R26.3million to R80.5million. These increases can be attributed to the substantial increase in the cost of bulk electricity from Eskom and water from Magalies Water.
7. Employee related costs and bulk purchases are the main cost drivers within the municipality and alternative operational gains and efficiencies will have to be identified to lessen the impact of wage and bulk tariff increases in future years.

Table 18 MBRR Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding

Vote Description R thousand	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Capital expenditure - Vote									
Multi-year expenditure to be appropriated									
Vote 1 - Executive and Council	-	-	-	-	-	-	-	-	-
Vote 2 - Financial Services	-	-	-	-	-	-	-	-	-
Vote 3 - Corporate Services	-	-	-	-	-	-	-	-	-
Vote 4 - Social and Community Services	-	-	100	2,680	2,850	2,850	-	-	-
Vote 5 - Technical Services	-	20,477	18,983	29,973	28,297	28,297	33,031	21,031	17,363
Vote 6 - Planning and Development	-	-	-	-	-	-	-	-	-
Example 7 - Vote7	-	-	-	-	-	-	-	-	-
Example 8 - Vote8	-	-	-	-	-	-	-	-	-
Example 9 - Vote9	-	-	-	-	-	-	-	-	-
Example 10 - Vote10	-	-	-	-	-	-	-	-	-
Example 11 - Vote11	-	-	-	-	-	-	-	-	-
Example 12 - Vote12	-	-	-	-	-	-	-	-	-
Example 13 - Vote13	-	-	-	-	-	-	-	-	-
Example 14 - Vote14	-	-	-	-	-	-	-	-	-
Example 15 - Vote15	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	-	20,477	19,082	32,653	31,147	31,147	33,031	21,031	17,363
Single-year expenditure to be appropriated									
Vote 1 - Executive and Council	-	617	18	-	-	-	-	-	-
Vote 2 - Financial Services	-	349	2,130	10	10	10	-	-	-
Vote 3 - Corporate Services	851	51	257	-	-	-	-	-	-
Vote 4 - Social and Community Services	361	766	676	-	3,000	3,000	4,672	7,447	10,447
Vote 5 - Technical Services	32,967	3,304	3,354	652	7,415	7,415	27,727	23,124	16,199
Vote 6 - Planning and Development	-	-	-	-	-	-	-	-	-
Example 7 - Vote7	-	-	-	-	-	-	-	-	-
Example 8 - Vote8	-	-	-	-	-	-	-	-	-
Example 9 - Vote9	-	-	-	-	-	-	-	-	-
Example 10 - Vote10	-	-	-	-	-	-	-	-	-
Example 11 - Vote11	-	-	-	-	-	-	-	-	-
Example 12 - Vote12	-	-	-	-	-	-	-	-	-
Example 13 - Vote13	-	-	-	-	-	-	-	-	-
Example 14 - Vote14	-	-	-	-	-	-	-	-	-
Example 15 - Vote15	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total	34,179	5,087	6,436	662	10,425	10,425	32,399	30,571	26,646
Total Capital Expenditure - Vote	34,179	25,563	25,518	33,315	41,572	41,572	65,430	51,602	44,009
Capital Expenditure - Standard									
Governance and administration	851	1,017	3,011	10	10	10	-	-	-
Executive and council	-	617	-	-	-	-	-	-	-
Budget and treasury office	-	349	-	10	10	10	-	-	-
Corporate services	851	51	3,011	-	-	-	-	-	-
Community and public safety	201	639	458	2,680	5,850	5,850	4,672	7,447	10,447
Community and social services	56	639	458	2,680	2,850	2,850	1,900	2,499	5,235
Sport and recreation	145	-	-	-	3,000	3,000	2,772	4,948	5,212
Public safety	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
Economic and environmental services	14,275	14,430	-	5,346	11,459	11,459	13,346	20,724	16,199
Planning and development	-	-	-	57	57	57	14	-	-
Road transport	14,275	14,430	-	5,289	11,402	11,402	13,332	20,724	16,199
Environmental protection	-	-	-	-	-	-	-	-	-
Trading services	18,852	9,478	22,050	25,280	24,253	24,253	47,412	23,431	17,363
Electricity	4,241	347	-	595	1,408	1,408	28,381	10,000	-
Water	4,003	2,644	22,050	7,274	11,336	11,336	1,000	-	-
Waste water management	10,485	6,388	-	17,410	11,509	11,509	18,031	13,431	17,363
Waste management	124	99	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Standard	34,179	25,563	25,518	33,315	41,572	41,572	65,430	51,602	44,009
Funded by:									
National Government	21,777	22,540	19,579	32,505	36,558	36,558	50,430	41,602	44,009
Provincial Government	4,012	-	-	-	-	-	-	-	-
District Municipality	-	-	-	-	-	-	-	-	-
Other transfers and grants	-	-	-	-	3,000	3,000	-	-	-
Transfers recognised - capital	25,789	22,540	19,579	32,505	39,558	39,558	50,430	41,602	44,009
Public contributions & donations	-	-	-	-	-	-	15,000	10,000	-
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	8,390	3,023	5,940	810	2,015	2,015	-	-	-
Total Capital Funding	34,179	25,563	25,518	33,315	41,572	41,572	65,430	51,602	44,009

Explanatory notes to Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source

1. Table A5 is a breakdown of the capital programme in relation to capital expenditure by municipal vote (multi-year and single-year appropriations); capital expenditure by standard classification; and the funding sources necessary to fund the capital budget, including information on capital transfers from national and provincial departments.
2. The MFMA provides that a municipality may approve multi-year or single-year capital budget appropriations. In relation to multi-year appropriations, for 2012/13 R33 million has been allocated of the total R65.4million capital budget, which totals 50 percent. This allocation decreases to R21 million in 2013/14 and R17million in 2014/15.
3. Single-year capital expenditure has been appropriated at R32.4 million for the 2012/13 financial year and decreases over the MTREF at levels of R30.6 million and R27 million respectively for the two outer years.
4. Unlike multi-year capital appropriations, single-year appropriations relate to expenditure that will be incurred in the specific budget year such as the procurement of vehicles and specialized tools and equipment. The budget appropriations for the two outer years are indicative allocations based on the departmental business plans as informed by the IDP and will be reviewed on an annual basis to assess the relevance of the expenditure in relation to the strategic objectives and service delivery imperatives of the Municipality. For the purpose of funding assessment of the MTREF, these appropriations have been included but no commitments will be incurred against single-year appropriations for the two outer-years.
5. The capital programme is funded from grants and transfers and borrowing. For 2012/13, capital transfers totals R50.4million (77 percent) and decreases to R44million by 2014/15 (100 percent).

Table 19 MBRR Table A6 - Budgeted Financial Position

Description	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand									
ASSETS									
Current assets									
Cash	22	1,984	13,343	3,300	13,300	13,300	5,500	6,000	6,500
Call investment deposits	27,232	28,142	29,604	23,858	29,604	29,604	36,147	35,055	36,657
Consumer debtors	20,041	18,814	27,548	21,327	28,686	28,686	22,991	15,798	8,693
Other debtors	5,886	2,415	2,260	2,000	2,000	2,000	2,250	2,560	2,250
Current portion of long-term receivables	-	-	-	-	-	-	-	-	-
Inventory	3,817	4,303	7,565	4,800	4,800	4,800	5,100	4,900	5,100
Total current assets	56,998	55,659	80,321	55,285	78,390	78,390	71,988	64,313	59,200
Non current assets									
Long-term receivables	100	100	100	100	100	100	100	100	100
Investments	1,254	1,462	1,706	1,820	1,820	1,820	2,086	2,295	2,524
Investment property	-	-	-	5,191	5,191	5,191	-	-	-
Investment in Associate	-	-	-	-	-	-	-	-	-
Property, plant and equipment	221,457	236,661	839,343	749,660	829,303	829,303	842,214	844,372	884,432
Agricultural	-	-	-	-	-	-	-	-	-
Biological	-	-	-	-	-	-	-	-	-
Intangible	-	256	204	5,497	497	497	333	223	150
Other non-current assets	-	500	500	-	-	-	500	500	500
Total non current assets	222,810	238,980	841,853	762,269	836,912	836,912	845,233	847,491	887,706
TOTAL ASSETS	279,808	294,638	922,174	817,555	915,302	915,302	917,221	911,803	946,906
LIABILITIES									
Current liabilities									
Bank overdraft	1,216	-	-	-	-	-	-	-	-
Borrowing	709	713	518	800	500	500	882	1,123	1,049
Consumer deposits	2,378	2,501	2,681	2,900	2,900	2,900	2,900	2,900	2,900
Trade and other payables	19,774	28,634	38,356	25,000	25,000	25,000	25,000	25,000	25,000
Provisions	-	-	-	-	-	-	-	-	-
Total current liabilities	24,078	31,848	41,556	28,700	28,400	28,400	28,782	29,023	28,949
Non current liabilities									
Borrowing	4,020	3,283	2,861	2,395	2,395	2,395	16,499	25,392	24,536
Provisions	11,307	13,863	27,958	14,500	28,253	28,253	23,525	27,537	32,050
Total non current liabilities	15,327	17,146	30,818	16,895	30,648	30,648	40,024	52,930	56,586
TOTAL LIABILITIES	39,405	48,994	72,374	45,595	59,048	59,048	68,806	81,953	85,535
NET ASSETS	240,403	245,644	849,800	771,960	856,254	856,254	848,416	829,851	861,371
COMMUNITY WEALTH/EQUITY									
Accumulated Surplus/(Deficit)	239,920	245,161	240,004	771,560	246,459	246,459	238,621	220,056	251,576
Reserves	483	483	609,795	400	609,795	609,795	609,795	609,795	609,795
Minorities' interests	-	-	-	-	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	240,403	245,644	849,800	771,960	856,254	856,254	848,416	829,851	861,371

Explanatory notes to Table A6 - Budgeted Financial Position

1. Table A6 is consistent with international standards of good financial management practice, and improves understandability for councilors and management of the impact of the budget on the statement of financial position (balance sheet).
2. This format of presenting the statement of financial position is aligned to GRAP1, which is generally aligned to the international version which presents Assets less Liabilities as “accounting” Community Wealth. The order of items within each group illustrates items in order of liquidity; i.e. assets readily converted to cash, or liabilities immediately required to be met from cash, appear first.
3. Table 26 is supported by an extensive table of notes (SA3 which can be found on page 46) providing a detailed analysis of the major components of a number of items, including:
 - Call investments deposits;
 - Consumer debtors;
 - Property, plant and equipment;
 - Trade and other payables;
 - Provisions non current;
 - Changes in net assets; and
 - Reserves
4. The municipal equivalent of equity is Community Wealth/Equity. The justification is that ownership and the net assets of the municipality belong to the community.
5. Any movement on the Budgeted Financial Performance or the Capital Budget will inevitably impact on the Budgeted Financial Position. As an example, the collection rate assumption will impact on the cash position of the municipality and subsequently inform the level of cash and cash equivalents at year end. Similarly, the collection rate assumption should inform the budget appropriation for debt impairment which in turn would impact on the provision for bad debt. These budget and planning assumptions form a critical link in determining the applicability and relevance of the budget as well as the determination of ratios and financial indicators. In addition the funding compliance assessment is informed directly by forecasting the statement of financial position.

Table 20 MBRR Table A7 - Budgeted Cash Flows

Description	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand									
CASH FLOW FROM OPERATING ACTIVITIES									
Receipts									
Ratepayers and other	71,897	104,764	105,375	116,621	99,882	99,882	123,634	136,562	152,773
Government - operating	29,656	39,933	50,703	55,302	56,150	56,150	62,293	65,953	71,182
Government - capital	25,789	28,236	19,579	32,505	42,128	42,128	50,430	41,602	44,009
Interest	4,507	3,243	5,745	2,100	2,100	2,100	1,500	1,600	1,600
Dividends	-	-	-	-	-	-	-	-	-
Payments									
Suppliers and employees	(104,801)	(139,619)	(140,556)	(172,318)	(159,761)	(159,761)	(188,534)	(197,166)	(213,915)
Finance charges	(727)	(541)	(1,647)	(806)	(806)	(806)	(1,826)	(2,546)	(2,505)
Transfers and Grants	-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES	26,322	36,016	39,199	33,404	39,692	39,692	47,497	46,005	53,144
CASH FLOWS FROM INVESTING ACTIVITIES									
Receipts									
Proceeds on disposal of PPE	-	-	(2,016)	-	-	-	-	-	-
Decrease (Increase) in non-current debtors	-	-	-	-	-	-	-	-	-
Decrease (Increase) other non-current receivables	-	-	-	-	-	-	-	-	-
Decrease (Increase) in non-current investments	655	(209)	(243)	(195)	(195)	(195)	(240)	(245)	(250)
Payments									
Capital assets	(34,180)	(25,563)	(25,518)	(33,315)	(41,572)	(41,572)	(65,430)	(51,602)	(44,009)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(33,525)	(25,772)	(27,778)	(33,510)	(41,767)	(41,767)	(65,670)	(51,847)	(44,259)
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Short term loans	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	-	-	-	-	-	15,000	10,000	-
Increase (decrease) in consumer deposits	95	123	-	200	200	200	-	-	-
Payments									
Repayment of borrowing	(1,029)	(734)	(617)	(485)	(435)	(435)	(872)	(1,113)	(1,039)
NET CASH FROM/(USED) FINANCING ACTIVITIES	(934)	(611)	(617)	(285)	(235)	(235)	14,128	8,887	(1,039)
NET INCREASE/ (DECREASE) IN CASH HELD	(8,137)	9,633	10,804	(391)	(2,310)	(2,310)	(4,045)	3,045	7,846
Cash/cash equivalents at the year begin:	17,513	9,376	19,009	3,100	29,810	29,810	27,500	23,454	26,500
Cash/cash equivalents at the year end:	9,376	19,009	29,813	2,709	27,500	27,500	23,454	26,500	34,346

Table 21 MBRR Table A8 - Cash Backed Reserves / Accumulated Surplus Reconciliation

Description	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand									
Cash and investments available									
Cash/cash equivalents at the year end	9,376	19,009	29,813	2,709	27,500	27,500	23,454	26,500	34,346
Other current investments > 90 days	16,662	11,117	13,133	24,449	15,404	15,404	18,193	14,555	8,811
Non current assets - Investments	1,254	1,462	1,706	1,820	1,820	1,820	2,086	2,295	2,524
Cash and investments available:	27,291	31,589	44,652	28,979	44,724	44,724	43,734	43,349	45,681
Application of cash and investments									
Unspent conditional transfers	2,513	9,077	10,987	-	-	-	-	-	-
Unspent borrowing	-	-	-	-	-	-	-	-	-
Statutory requirements	-	-	-	-	-	-	7,861	3	(11,499)
Other working capital requirements	1,290	(4,094)	(5,199)	3,916	468	468	1,118	7,347	14,134
Other provisions	-	-	-	-	-	-	-	-	-
Long term investments committed	8,599	9,416	9,375	11,000	11,000	11,000	11,300	9,500	8,700
Reserves to be backed by cash/investments	-	-	-	-	-	-	-	-	-
Total Application of cash and investments:	12,402	14,399	15,164	14,916	11,468	11,468	20,279	16,850	11,335
Surplus(shortfall)	14,889	17,190	29,488	14,063	33,256	33,256	23,454	26,500	34,346

Explanatory notes to Table A7 - Budgeted Cash Flow Statement

1. The budgeted cash flow statement is the first measurement in determining if the budget is funded.
2. It shows the expected level of cash in-flow versus cash out-flow that is likely to result from the implementation of the budget.
3. The 2012/13 MTREF has been informed by the planning principle of ensuring adequate cash reserves over the medium-term.
4. Cash and cash equivalents totals R23.5 million as at the end of the 2012/13 financial year and decreases to R34 million by 2014/15.

Explanatory notes to Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

1. The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 – Funding a Municipal Budget.
2. In essence the table evaluates the funding levels of the budget by firstly forecasting the cash and investments at year end and secondly reconciling the available funding to the liabilities/commitments that exist.
3. The outcome of this exercise would either be a surplus or deficit. A deficit would indicate that the applications exceed the cash and investments available and would be indicative of non-compliance with the MFMA requirements that the municipality's budget must be "funded".
4. Non-compliance with section 18 of the MFMA is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded.
5. As part of the budgeting and planning guidelines that informed the compilation of the 2012/13 MTREF the end objective of the medium-term framework was to ensure the budget is funded aligned to section 18 of the MFMA.
6. As can be seen the budget has been modelled to progressively move from a surplus of R23.4 million in 2011/12 to increased in surplus to R34 million by 2014/15.



Table 22 MBRR Table A9 - Asset Management

Description	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand									
CAPITAL EXPENDITURE									
Total New Assets	34,179	25,563	8,621	8,631	15,727	15,727	12,395	2,499	2,499
Infrastructure - Road transport	14,238	13,964	-	5,289	11,402	11,402	-	-	-
Infrastructure - Electricity	4,241	280	1,323	595	1,393	1,393	5,381	-	-
Infrastructure - Water	3,915	2,644	53	-	-	-	-	-	-
Infrastructure - Sanitation	10,448	6,388	3,662	-	-	-	7,000	-	-
Infrastructure - Other	-	249	-	-	-	-	-	-	-
Infrastructure	32,843	23,525	5,038	5,884	12,795	12,795	12,381	-	-
Community	968	449	305	2,680	2,850	2,850	-	2,499	2,499
Heritage assets	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-
Other assets	368	1,281	3,278	67	82	82	14	-	-
Agricultural Assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Intangibles	-	308	-	-	-	-	-	-	-
Total Renewal of Existing Assets	-	-	16,897	24,684	25,845	25,845	53,035	49,103	41,510
Infrastructure - Road transport	-	-	7,961	-	-	-	13,332	20,724	16,199
Infrastructure - Electricity	-	-	688	-	-	-	23,000	10,000	-
Infrastructure - Water	-	-	1,369	7,274	11,336	11,336	1,000	-	-
Infrastructure - Sanitation	-	-	6,780	17,410	11,509	11,509	11,031	13,431	17,363
Infrastructure - Other	-	-	-	-	-	-	-	-	-
Infrastructure	-	-	16,797	24,684	22,845	22,845	48,363	44,155	33,562
Community	-	-	100	-	3,000	3,000	4,672	4,948	7,948
Heritage assets	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-	-
Agricultural Assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Intangibles	-	-	-	-	-	-	-	-	-
Total Capital Expenditure	-	-	-	-	-	-	-	-	-
Infrastructure - Road transport	14,238	13,964	7,961	5,289	11,402	11,402	13,332	20,724	16,199
Infrastructure - Electricity	4,241	280	2,011	595	1,393	1,393	28,381	10,000	-
Infrastructure - Water	3,915	2,644	1,422	7,274	11,336	11,336	1,000	-	-
Infrastructure - Sanitation	10,448	6,388	10,442	17,410	11,509	11,509	18,031	13,431	17,363
Infrastructure - Other	-	249	-	-	-	-	-	-	-
Infrastructure	32,843	23,525	21,835	30,568	35,640	35,640	60,744	44,155	33,562
Community	968	449	405	2,680	5,850	5,850	4,672	7,447	10,447
Heritage assets	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-
Other assets	368	1,281	3,278	67	82	82	14	-	-
Agricultural Assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Intangibles	-	308	-	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE - Asset class	34,179	25,563	25,518	33,315	41,572	41,572	65,430	51,602	44,009
ASSET REGISTER SUMMARY - PPE (WDV)									
Infrastructure - Road transport	16,420	29,340	362,287	301,483	362,287	362,287	357,195	366,269	380,981
Infrastructure - Electricity	60,276	58,515	81,832	68,094	81,832	81,832	90,122	85,979	85,114
Infrastructure - Water	38,547	39,028	117,774	98,004	117,774	117,774	112,302	104,863	105,530
Infrastructure - Sanitation	28,959	34,277	102,180	85,030	102,180	102,180	114,429	120,211	137,923
Infrastructure - Other	3,099	3,119	285	240	285	285	273	263	264
Infrastructure	147,301	164,279	664,358	552,852	664,358	664,358	674,320	677,585	709,812
Community	70,725	69,048	166,528	141,548	164,528	164,528	160,962	161,189	170,366
Heritage assets	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	5,191	5,191	5,191	-	-	-
Other assets	3,430	3,334	8,458	55,260	417	417	6,931	5,598	4,254
Agricultural Assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Intangibles	-	256	204	5,497	497	497	333	223	150
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	221,457	236,917	839,547	760,349	834,991	834,991	842,547	844,596	884,582

EXPENDITURE OTHER ITEMS									
Depreciation & asset impairment	9,047	9,349	32,200	35,750	35,750	35,750	37,519	39,443	39,219
Repairs and Maintenance by Asset Class	3,600	6,529	19,439	8,306	8,401	8,401	21,525	24,978	26,600
Infrastructure - Road transport	441	997	1,363	1,500	1,740	1,740	5,155	6,078	6,341
Infrastructure - Electricity	892	1,480	1,145	1,234	1,214	1,214	4,714	5,425	6,155
Infrastructure - Water	615	2,240	1,939	2,500	2,500	2,500	6,378	7,449	8,045
Infrastructure - Sanitation	141	269	338	499	499	499	2,730	2,998	3,175
Infrastructure - Other	-	-	-	-	-	-	-	-	-
Infrastructure	2,090	4,986	4,785	5,733	5,953	5,953	18,977	21,950	23,715
Community	204	140	211	283	273	273	297	320	341
Heritage assets	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-
Other assets	1,306	1,404	14,444	2,291	2,176	2,176	2,251	2,708	2,543
TOTAL EXPENDITURE OTHER ITEMS	12,647	15,878	51,639	44,057	44,152	44,152	59,045	64,421	65,819
<i>Renewal of Existing Assets as % of total capex</i>	<i>0.0%</i>	<i>0.0%</i>	<i>66.2%</i>	<i>74.1%</i>	<i>62.2%</i>	<i>62.2%</i>	<i>81.1%</i>	<i>95.2%</i>	<i>94.3%</i>
<i>Renewal of Existing Assets as % of deprechn</i>	<i>0.0%</i>	<i>0.0%</i>	<i>52.5%</i>	<i>69.0%</i>	<i>72.3%</i>	<i>72.3%</i>	<i>141.4%</i>	<i>124.5%</i>	<i>105.8%</i>
<i>R&M as a % of PPE</i>	<i>1.6%</i>	<i>2.8%</i>	<i>2.3%</i>	<i>1.1%</i>	<i>1.0%</i>	<i>1.0%</i>	<i>2.6%</i>	<i>3.0%</i>	<i>3.0%</i>
<i>Renewal and R&M as a % of PPE</i>	<i>2.0%</i>	<i>3.0%</i>	<i>4.0%</i>	<i>4.0%</i>	<i>4.0%</i>	<i>4.0%</i>	<i>9.0%</i>	<i>9.0%</i>	<i>8.0%</i>

Explanatory notes to Table A9 - Asset Management

1. Table A9 provides an overview of municipal capital allocations to building new assets and the renewal of existing assets, as well as spending on repairs and maintenance by asset class.
2. The Municipality unbundled its infrastructure assets in the 2010 and 2011 financial year. This resulted in an increase in the PPE value from R235 million to R835 million. The municipality take note of the National Treasury Circular No. 55 that Repair and Maintenance must be atleast 8% of the PPE value but this can not be done in 3 financial years.

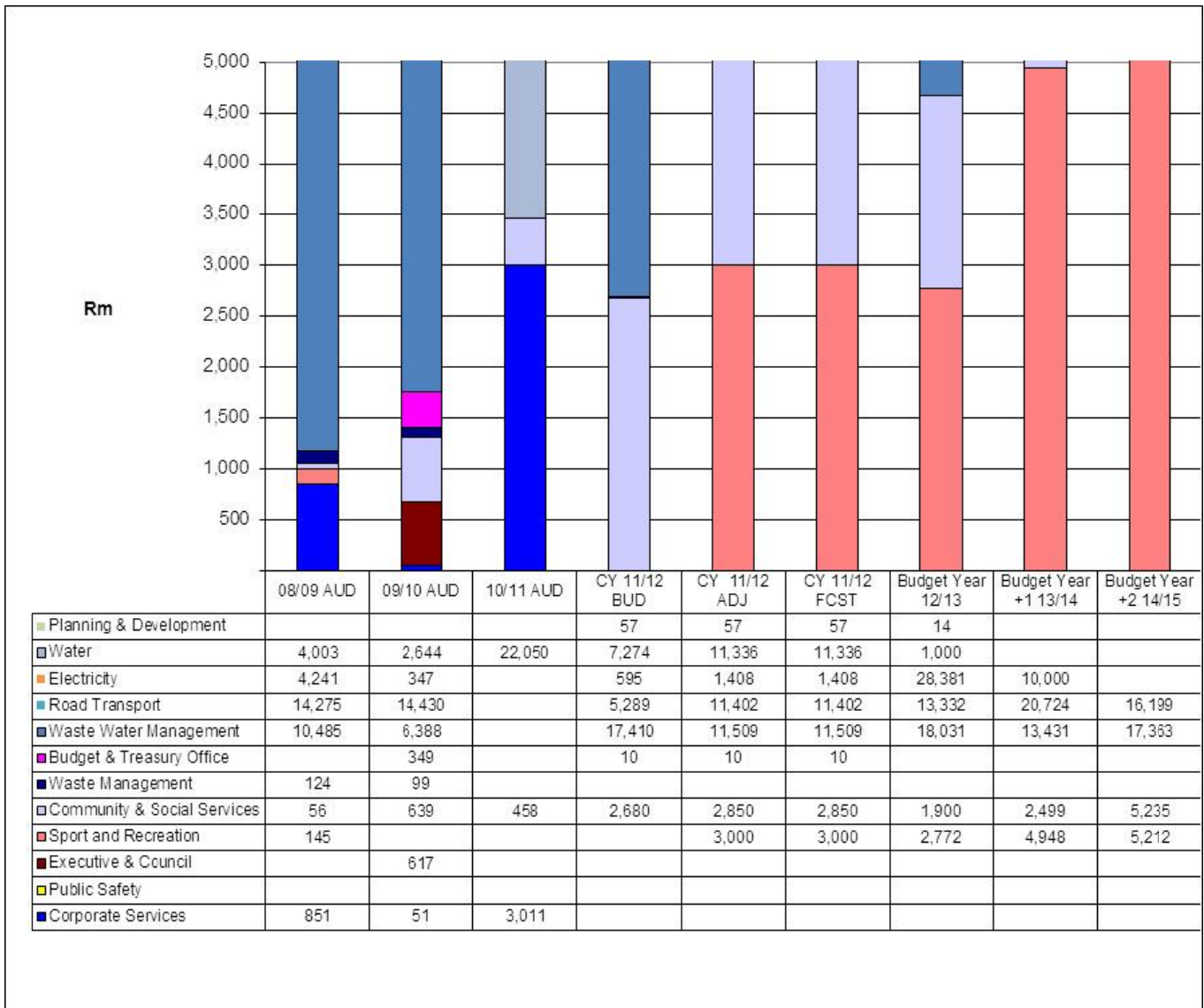


Figure 3 Capital by standard classification

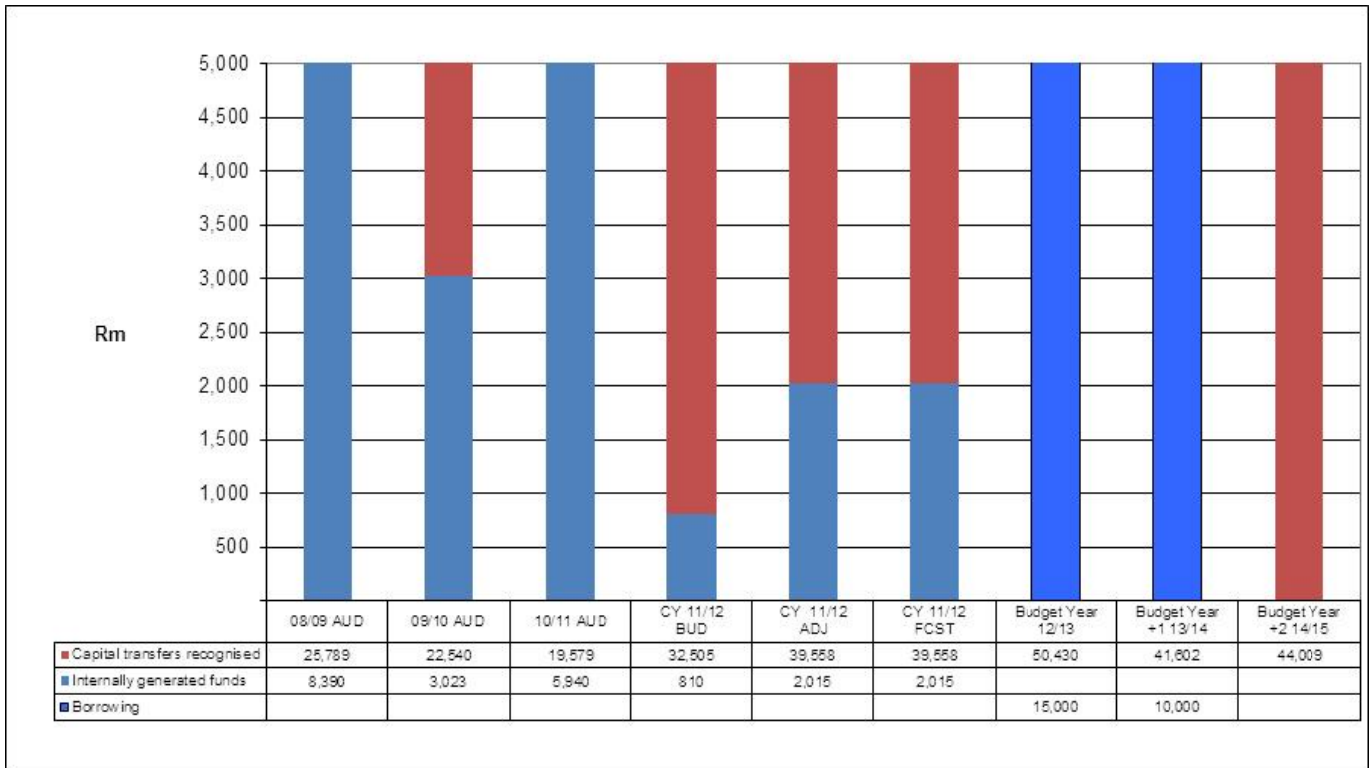


Figure 4 Capital Funding by Source

Table 23 MBRR Table A10 - Basic Service Delivery Measurement

Description	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
	Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Household service targets									
Water:									
Piped water inside dwelling	7,316	7,416	7,416	7,416	7,416	7,416	7,416	7,416	7,416
Piped water inside yard (but not in dwelling)	7,781	7,831	7,831	10,151	10,151	10,151	10,351	10,351	10,351
Using public tap (at least min.service level)	1,815	1,715	1,715	1,715	1,715	1,715	1,515	1,515	1,515
Other water supply (at least min.service level)	822	822	822	882	882	882	882	882	882
<i>Minimum Service Level and Above sub-total</i>	17,734	17,784	17,784	20,164	20,164	20,164	20,164	20,164	20,164
Using public tap (< min.service level)									
Other water supply (< min.service level)									
No water supply									
<i>Below Minimum Service Level sub-total</i>	-	-	-	-	-	-	-	-	-
Total number of households	17,734	17,784	17,784	20,164	20,164	20,164	20,164	20,164	20,164
Sanitation/sewerage:									
Flush toilet (connected to sewerage)	12,422	13,310	13,310	16,075	16,075	16,075	16,075	16,075	16,075
Flush toilet (with septic tank)	539	539	539	539	539	539	539	539	539
Chemical toilet	1,450	1,450	1,450	1,550	1,550	1,550	1,550	1,550	1,550
Pit toilet (ventilated)	223	-	-	-	-	-	-	-	-
Other toilet provisions (> min.service level)	3,000	2,262	2,262	2,000	2,000	2,000	2,000	2,000	2,000
<i>Minimum Service Level and Above sub-total</i>	17,634	17,561	17,561	20,164	20,164	20,164	20,164	20,164	20,164
Bucket toilet									
Other toilet provisions (< min.service level)									
No toilet provisions									
<i>Below Minimum Service Level sub-total</i>	-	-	-	-	-	-	-	-	-
Total number of households	17,634	17,561	17,561	20,164	20,164	20,164	20,164	20,164	20,164
Energy:									
Electricity (at least min.service level)	5,680	5,737	5,737	5,800	6,179	6,179	10,965	12,133	13,170
Electricity - prepaid (min.service level)	9,500	10,000	10,000	11,720	10,695	10,695	5,291	5,820	5,650
<i>Minimum Service Level and Above sub-total</i>	15,180	15,737	15,737	17,520	16,874	16,874	16,256	17,953	18,820
Electricity (< min.service level)									
Electricity - prepaid (< min. service level)									
Other energy sources	2,454	2,047	2,047	2,644	2,644	2,644	-	-	-
<i>Below Minimum Service Level sub-total</i>	2,454	2,047	2,047	2,644	2,644	2,644	-	-	-
Total number of households	17,634	17,784	17,784	20,164	19,518	19,518	16,256	17,953	18,820
Refuse:									
Removed at least once a week	10,961	11,702	11,702	13,362	13,362	13,362	13,362	13,362	13,362
<i>Minimum Service Level and Above sub-total</i>	10,961	11,702	11,702	13,362	13,362	13,362	13,362	13,362	13,362
Removed less frequently than once a week									
Using communal refuse dump									
Using own refuse dump	6,082	6,082	6,082	6,802	6,802	6,802	6,802	6,802	6,802
Other rubbish disposal									
No rubbish disposal	591	591	591						
<i>Below Minimum Service Level sub-total</i>	6,673	6,673	6,673	6,802	6,802	6,802	6,802	6,802	6,802
Total number of households	17,634	18,375	18,375	20,164	20,164	20,164	20,164	20,164	20,164
Households receiving Free Basic Service									
Water (6 kilolitres per household per month)	3,032	2,982		6,000	6,000	6,000	5,000	5,000	5,000
Sanitation (free minimum level service)	3,032	2,982		6,000	6,000	6,000	5,000	5,000	5,000
Electricity/other energy (50kwh per household per month)	3,032	2,982		6,000	6,000	6,000	5,000	5,000	5,000
Refuse (removed at least once a week)	3,032	2,982		6,000	6,000	6,000	5,000	5,000	5,000
Cost of Free Basic Services provided (R'000)									
Water (6 kilolitres per household per month)	288	800		565	565	565			
Sanitation (free sanitation service)	316	665		800	800	800			
Electricity/other energy (50kwh per household per month)	288	900		2,014	2,014	2,014			
Refuse (removed once a week)	149	330		374	374	374			
Total cost of FBS provided (minimum social package)	1,041	2,695	-	3,753	3,753	3,753	-	-	-
Highest level of free service provided									
Property rates (R value threshold)									
Water (kilolitres per household per month)	6	6		6	6	6	6	6	6
Sanitation (kilolitres per household per month)									
Sanitation (Rand per household per month)	55	59		68	68	68			
Electricity (kwh per household per month)	50	50		75	75	75	75	75	75
Refuse (average litres per week)	85	85		85	85	85			
Revenue cost of free services provided (R'000)									
Property rates (R15 000 threshold rebate)									
Property rates (other exemptions, reductions and rebates)	1,049	2,312		2,000	5,000	5,000	5,300	5,400	5,500
Water	288	800		565	1,400	1,400	1,500	1,600	1,700
Sanitation	316	665		800	1,500	1,500	1,600	1,700	1,800
Electricity/other energy	288	900		2,014	3,735	3,735	4,000	4,300	4,600
Refuse	149	330		374	1,800	1,800	1,900	2,000	2,100
Municipal Housing - rental rebates									
Housing - top structure subsidies									
Other									
Total revenue cost of free services provided (total social package)	2,090	5,007	-	5,753	13,435	13,435	14,300	15,000	15,700

Table 24MBRR Table SA 1 - Supporting detail to 'Budgeted Financial Performance'

Description	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand									
REVENUE ITEMS:									
Property rates									
Total Property Rates	11,303	12,907	15,906	16,870	17,000	17,000	18,837	20,040	21,466
<i>less Revenue Foregone</i>									
Net Property Rates	11,303	12,907	15,906	16,870	17,000	17,000	18,837	20,040	21,466
Service charges - electricity revenue									
Total Service charges - electricity revenue	32,496	44,345	53,428	64,770	67,321	67,321	67,000	75,012	83,200
<i>less Revenue Foregone</i>					3,735	3,735	4,000	4,300	4,600
Net Service charges - electricity revenue	32,496	44,345	53,428	64,770	63,586	63,586	63,000	70,712	78,600
Service charges - water revenue									
Total Service charges - water revenue	13,894	16,802	21,859	25,300	25,300	25,300	30,000	31,800	33,700
<i>less Revenue Foregone</i>					1,400	1,400	1,500	1,600	1,700
Net Service charges - water revenue	13,894	16,802	21,859	25,300	23,900	23,900	28,500	30,200	32,000
Service charges - sanitation revenue									
Total Service charges - sanitation revenue	6,839	7,510	8,024	8,480	8,600	8,600	9,200	9,752	10,450
<i>less Revenue Foregone</i>					1,500	1,500	1,600	1,700	1,800
Net Service charges - sanitation revenue	6,839	7,510	8,024	8,480	7,100	7,100	7,600	8,052	8,650
Service charges - refuse revenue									
Total refuse removal revenue	5,181	5,821	6,158	6,540	6,540	6,540	7,017	7,578	8,184
Total landfill revenue	-	-	-	-	-	-	-	-	-
<i>less Revenue Foregone</i>					1,800	1,800	1,900	2,000	2,100
Net Service charges - refuse revenue	5,181	5,821	6,158	6,540	4,740	4,740	5,117	5,578	6,084
Other Revenue by source									
List other revenue by source	-	-	-	-	-	-	-	-	-
Fair Value Adjustment	79,774	-	-	-	-	-	-	-	-
Cemetery Fees	122	133	149	-	130	130	110	117	125
Fire Brigade	118	485	1,114	-	1,398	1,398	1,913	1,843	1,954
Valuation Certificate	0	3	10	-	10	10	20	20	20
Clearance Certificate	4	19	35	-	30	30	60	64	64
Building Plans	88	130	74	-	75	75	90	95	100
Sale of Erven	157	64	1,898	-	-	-	-	-	-
Reconnection Fees	288	356	466	-	125	125	200	220	240
Other Revenue	994	957	633	2,320	453	453	369	400	430
Total 'Other' Revenue	81,545	2,147	4,378	2,320	2,220	2,220	2,762	2,759	2,933
EXPENDITURE ITEMS:									
Employee related costs									
Basic Salaries and Wages	30,408	31,948	36,571	42,774	42,469	42,469	49,676	50,140	53,148
Pension and UIF Contributions	5,180	5,659	6,602	9,245	9,097	9,097	9,718	10,301	10,919
Medical Aid Contributions	1,146	1,273	1,575	2,058	2,042	2,042	2,602	2,758	2,923
Overtime	1,655	1,774	1,402	1,819	1,950	1,950	2,547	2,334	2,475
Performance Bonus	-	-	-	250	-	-	-	-	-
Motor Vehicle Allowance	2,133	2,176	2,403	3,448	3,445	3,445	4,075	4,318	4,577
Cellphone Allowance	-	-	20	22	22	22	-	-	-
Housing Allowances	190	177	192	354	354	354	208	220	233
Other benefits and allowances	-	486	-	-	-	-	1,722	1,825	1,934
Payments in lieu of leave	799	781	(524)	900	900	900	900	900	900
Long service awards	-	-	120	-	-	-	-	-	-
Post-retirement benefit obligations	-	-	807	800	800	800	800	900	950
sub-total	41,510	44,273	49,167	61,669	61,078	61,078	72,247	73,696	78,060
Less: Employees costs capitalised to PPE									
Total Employee related costs	41,510	44,273	49,167	61,669	61,078	61,078	72,247	73,696	78,060

Depreciation & asset impairment									
Depreciation of Property, Plant & Equipment	9,047	9,349	32,200	35,750	35,750	35,750	37,519	39,443	39,219
Lease amortisation	-	-	-	-	-	-	-	-	-
Capital asset impairment	-	-	-	-	-	-	-	-	-
Depreciation resulting from revaluation of PPE	-	-	-	-	-	-	-	-	-
Total Depreciation & asset impairment	9,047	9,349	32,200	35,750	35,750	35,750	37,519	39,443	39,219
Bulk purchases									
Electricity Bulk Purchases	22,714	33,652	42,047	49,560	49,560	49,560	56,000	64,000	73,000
Water Bulk Purchases	3,665	4,493	3,752	6,000	6,000	6,000	6,500	7,000	7,500
Total bulk purchases	26,380	38,144	45,798	55,560	55,560	55,560	62,500	71,000	80,500
Transfers and grants									
Cash transfers and grants	-	-	-	-	-	-	-	-	-
Non-cash transfers and grants	-	-	-	-	-	-	-	-	-
Total transfers and grants	-	-	-	-	-	-	-	-	-
Contracted services									
<i>List services provided by contract</i>									
Security costs	2,195	3,050	3,452	3,573	3,573	3,573	5,500	5,600	5,700
Legal Services	1,145	3,889	1,251	1,300	2,028	2,028	2,000	2,100	2,200
sub-total	3,340	6,939	4,702	4,873	5,601	5,601	7,500	7,700	7,900
Allocations to organs of state:									
Electricity	-	-	-	-	-	-	-	-	-
Water	-	-	-	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total contracted services	3,340	6,939	4,702	4,873	5,601	5,601	7,500	7,700	7,900
Other Expenditure By Type									
Collection costs	-	-	-	-	-	-	-	-	-
Contributions to 'other' provisions	-	-	-	-	-	-	-	-	-
Consultant fees	-	-	1,802	-	1,265	1,265	1,543	1,869	2,020
Audit fees	1,294	1,314	1,563	2,000	1,940	1,940	2,250	2,521	2,739
General expenses	8,389	7,583	10,142	13,454	10,255	10,255	15,815	17,466	17,885
<i>List Other Expenditure by Type</i>									
Advertising	236	241	404	540	460	460	523	854	955
Bank charges	620	682	583	610	610	610	630	640	650
Bursaries	489	208	240	240	240	240	300	316	340
Conference and delegations	47	98	154	192	132	132	341	408	484
Entertainment	204	47	186	95	105	105	121	147	164
Indigent expenditure	2,134	3,734	2,176	5,753	60	60	50	50	50
Insurance	1,567	1,671	1,763	2,600	750	750	1,700	1,800	1,900
Membership fees	400	261	293	550	450	450	500	530	562
Postage	142	-	4	60	60	60	64	70	70
Printing and stationery	545	672	653	862	895	895	849	1,050	1,163
Programming	504	588	1,045	700	800	800	1,080	1,190	1,300
Rental of office equipment	254	784	1,478	940	980	980	1,042	1,145	1,250
Subscription and publication	320	215	357	138	239	239	313	389	419
Telephone and cellphone costs	1,200	1,462	757	634	1,184	1,184	1,381	1,611	1,727
Training	315	611	59	426	476	476	381	494	552
Travel and subsistence	502	699	1,600	866	1,024	1,024	1,141	1,339	1,514
Valuation costs	282	46	113	1,500	1,300	1,300	350	250	300
Vehicle costs	1,748	1,721	1,961	3,502	3,527	3,527	4,193	4,018	4,279
Upgrade Eskom substation	-	8,085	3,800	1,000	4,150	4,150	5,970	-	-
Total 'Other' Expenditure	21,192	30,723	31,134	36,661	30,900	30,900	40,539	38,155	40,321
Repairs and Maintenance									
Employee related costs	-	-	-	-	-	-	14,510	15,168	16,022
Other materials	3,600	6,530	19,439	8,306	8,401	8,401	7,016	9,810	10,578
Contracted Services	-	-	-	-	-	-	-	-	-
Other Expenditure	-	-	-	-	-	-	-	-	-
Total Repairs and Maintenance Expenditure	3,600	6,530	19,439	8,306	8,401	8,401	21,525	24,978	26,600

Table 25 MBRR Table SA 2 - Matrix Financial Performance Budget (revenue source/expenditure type and dept.)

Description	Vote 1 - Executive and Council	Vote 2 - Financial Services	Vote 3 - Corporate Services	Vote 4 - Social and Community	Vote 5 - Technical Services	Vote 6 - Planning and	Total
R thousand							
Revenue By Source							
Property rates	18,837						18,837
Service charges - electricity revenue					63,000		63,000
Service charges - water revenue					28,500		28,500
Service charges - sanitation revenue					7,600		7,600
Service charges - refuse revenue				5,117			5,117
Rental of facilities and equipment				40	31		71
Interest earned - external investments		1,500					1,500
Interest earned - outstanding debtors		2,000					2,000
Fines				123			123
Agency services				3,180			3,180
Other revenue	60	90	100	2,055	280	177	2,762
Transfers recognised - operational	8,490	25,622	800	3,371	24,010		62,293
Gains on disposal of PPE							-
Total Revenue (excluding capital transfers and	27,387	29,212	900	13,886	123,421	177	194,982
Expenditure By Type							
Employee related costs	4,744	11,602	8,245	19,920	22,213	5,323	72,047
Remuneration of councillors	5,491						5,491
Debt impairment	4,000						4,000
Depreciation & asset impairment	2,400	447	666	5,478	28,233	294	37,519
Finance charges	1,600		160		1,666		3,426
Bulk purchases					62,500		62,500
Other materials	13	57	87	1,229	5,974	6	7,366
Contracted services			2,000	5,500			7,500
Other expenditure	1,926	1,402	2,951	5,520	26,599	1,990	40,389
Loss on disposal of PPE							-
Total Expenditure	20,174	13,509	14,109	37,647	147,186	7,614	240,238
Surplus/(Deficit)	7,213	15,703	(13,209)	(23,761)	(23,765)	(7,437)	(45,256)
Transfers recognised - capital				4,672	45,758		50,430
Contributions recognised - capital							-
Contributed assets							-
Surplus/(Deficit) after capital transfers & contributions	7,213	15,703	(13,209)	(19,089)	21,993	(7,437)	5,174

Table 26 MBRR Table SA 3 - Supporting detail to 'Budgeted Financial Position'

Description	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand									
ASSETS									
Call investment deposits									
Call deposits < 90 days	10,571	17,021	16,467	–	16,467	16,467	13,199	13,859	14,413
Other current investments > 90 days	16,661	11,121	13,137	23,858	13,137	13,137	22,948	21,196	22,244
Total Call investment deposits	27,232	28,142	29,604	23,858	29,604	29,604	36,147	35,055	36,657
Consumer debtors									
Consumer debtors	28,509	38,183	51,378	48,197	56,515	56,515	54,820	52,627	50,522
Less: Provision for debt impairment	(8,468)	(19,370)	(23,829)	(26,870)	(27,829)	(27,829)	(31,829)	(36,829)	(41,829)
Total Consumer debtors	20,041	18,814	27,548	21,327	28,686	28,686	22,991	15,798	8,693
Debt impairment provision									
Balance at the beginning of the year	(9,400)	(8,468)	(19,370)	(22,370)	23,829	23,829	27,829	31,829	36,829
Contributions to the provision		(10,902)	(6,304)	(4,500)	4,000	4,000	4,000	5,000	5,000
Bad debts written off	932		1,844		–	–			
Balance at end of year	(8,468)	(19,370)	(23,829)	(26,870)	27,829	27,829	31,829	36,829	41,829
Property, plant and equipment (PPE)									
PPE at cost/valuation (excl. finance leases)	233,475	257,644	935,881	818,044	925,840	925,840	976,270	1,017,872	1,061,851
Leases recognised as PPE	2,010	2,010	–		–	–	–	–	–
Less: Accumulated depreciation	14,029	22,993	96,537	68,384	96,537	96,537	134,057	173,500	177,418
Total Property, plant and equipment (PPE)	221,457	236,661	839,343	749,660	829,303	829,303	842,214	844,372	884,432
LIABILITIES									
Current liabilities - Borrowing									
Short term loans (other than bank overdraft)	–	–	–	–	–	–	–	–	–
Current portion of long-term liabilities	709	713	518	800	500	500	882	1,123	1,049
Total Current liabilities - Borrowing	709	713	518	800	500	500	882	1,123	1,049
Trade and other payables									
Trade and other creditors	13,375	19,557	22,092	25,000	25,000	25,000	25,000	25,000	25,000
Unspent conditional transfers	2,513	9,077	10,987		–	–	–	–	–
VAT	3,886	–	5,277	–	–	–	–	–	–
Total Trade and other payables	19,774	28,634	38,356	25,000	25,000	25,000	25,000	25,000	25,000
Non current liabilities - Borrowing									
Borrowing	3,651	3,131	2,767	2,230	2,230	2,230	16,394	25,297	24,451
Finance leases (including PPP asset element)	369	152	94	165	165	165	105	95	85
Total Non current liabilities - Borrowing	4,020	3,283	2,861	2,395	2,395	2,395	16,499	25,392	24,536
Provisions - non-current									
Retirement benefits	11,307	12,323	15,205	14,500	15,500	15,500	16,500	17,500	19,000
List other major provision items									
Refuse landfill site rehabilitation	–	–	12,753	–	12,753	12,753	5,025	7,537	10,050
Long Service Awards	–	1,540	–	–	–	–	2,000	2,500	3,000
Total Provisions - non-current	11,307	13,863	27,958	14,500	28,253	28,253	23,525	27,537	32,050
CHANGES IN NET ASSETS									
Accumulated Surplus/(Deficit)									
Accumulated Surplus/(Deficit) - opening balance	129,367	239,920	245,161	777,071	244,647	244,647	246,459	245,507	238,406
GRAP adjustments				–					
Restated balance	129,367	239,920	245,161	777,071	244,647	244,647	246,459	245,507	238,406
Surplus/(Deficit)	101,970	6,781	(5,157)	6,964	14,287	14,287	5,174	(2,926)	2
Appropriations to Reserves	–	–	–	–	–	–	–	–	–
Transfers from Reserves	–	–	–	–	–	–	–	–	–
Depreciation offsets									
Other adjustments	8,582	(1,540)		(12,475)	(12,475)	(12,475)	(13,013)	(22,525)	13,168
Accumulated Surplus/(Deficit)	239,920	245,161	240,004	771,560	246,459	246,459	238,621	220,056	251,576
Reserves									
Housing Development Fund	483	483	483	400	483	483	483	483	483
Capital replacement	–	–	–	–	–	–	–	–	–
Self-insurance	–	–	–	–	–	–	–	–	–
Other reserves	–	–	–	–	–	–	–	–	–
Revaluation			609,312	–	609,312	609,312	609,312	609,312	609,312
Total Reserves	483	483	609,795	400	609,795	609,795	609,795	609,795	609,795
TOTAL COMMUNITY WEALTH/EQUITY	240,403	245,644	849,800	771,960	856,254	856,254	848,416	829,851	861,371

Table 27 MBRR Table SA 4 - Reconciliation of IDP strategic objectives and budget (revenue)

Strategic Objective	Goal	Goal Code	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand											
Promote the welfare of the community	Healthy and good living conditions	A	2,434	5,707	14,324	7,483	15,300	15,300	18,551	18,669	22,695
Promote and encourage sustainable economic environment	Prosperous community	B	–	–		–	202	202			
Plan for the future	Sustainable communities	C	156	207	157	166	162	162	177	188	199
Improve financial viability	Financial sustainability	D	18,828	23,844	29,965	27,812	29,777	29,777	29,212	30,951	32,773
Resource management of infrastructure and service	Increased accessibility of basic services	E	177,306	111,044	122,223	159,642	152,942	152,942	169,186	171,875	183,416
Improve administrative and governance capacity	Good governance capacity	F	15,743	18,491	22,199	24,347	24,572	24,572	28,187	30,161	32,872
Attract, develop and retain human capital	Improved employee satisfaction and increased productivity	G		76	100	40	100	100	100	100	100
Allocations to other priorities											
Total Revenue (excluding capital transfers and contributions)			214,469	159,369	188,968	219,490	223,055	223,055	245,412	251,944	272,054

Table 28 MBRR Table SA 5 - Reconciliation of IDP strategic objectives and budget (operating expenditure)

Strategic Objective	Goal	Goal Code	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand											
Promote the welfare of the community	Healthy and good living conditions	A	15,141	16,795	32,804	23,303	22,103	22,103	27,247	27,271	28,871
Promote and encourage sustainable economic environment	Prosperous community	B	1,085	1,418	1,824	2,918	2,348	2,348	2,689	2,880	3,049
Plan for the future	Sustainable communities	C	2,877	1,695	1,669	2,574	2,434	2,434	3,812	4,074	4,435
Improve financial viability	Financial sustainability	D	4,873	5,477	8,932	9,324	9,814	9,814	13,509	12,838	13,374
Resource management of infrastructure and service	Increased accessibility of basic services	E	68,591	96,307	123,626	140,595	140,638	140,638	157,586	169,294	181,641
improve administrative and governance capacity	Good governance capacity	F	19,295	30,109	24,419	32,119	29,695	29,695	32,789	35,676	37,606
Attract, develop and retain human capital	Improved employee satisfaction and increased productivity	G	636	788	847	1,693	1,736	1,736	2,607	2,837	3,077
Allocations to other priorities											
Total Expenditure			112,498	152,588	194,121	212,526	208,768	208,768	240,238	254,870	272,052

Table 29 MBRR Table SA 6 - Reconciliation of IDP strategic objectives and budget (capital expenditure)

Strategic Objective	Goal	Goal Code	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand											
Promote the welfare of the community	Healthy and good living conditions	A			480	2,680	3,000	3,000	4,672	4,948	7,948
Promote and encourage sustainable economic environment	Prosperous community	B	216								
Plan for the future	Sustainable communities	C									
Improve financial viability	Financial sustainability	D	851	40	2,130	10	10	10			
Resource management of infrastructure and service	Increased accessibility of basic services	E	32,967	24,855	22,633	30,625	38,562	38,562	60,758	46,654	36,061
Improve administrative and governance capacity	Good governance capacity	F		668	272	-					
Attract, develop and retain human capital	Improved employee satisfaction and increased productivity	G	145	-	4	-					
Allocations to other priorities											
Total Capital Expenditure			34,179	25,563	25,518	33,315	41,572	41,572	65,430	51,602	44,009

Table 30 MBRR Table SA 8 Performance indicators and benchmarks

Description of financial indicator	Basis of calculation	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
<u>Borrowing Management</u>										
Credit Rating										
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	1.6%	1.5%	1.2%	0.6%	1.3%	1.3%	1.8%	2.1%	2.0%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	1.1%	2.3%	1.9%	1.0%	2.2%	2.2%	3.2%	3.7%	3.4%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	100.0%	0.0%
<u>Safety of Capital</u>										
Gearing	Long Term Borrowing/ Funds & Reserves	831.9%	679.4%	0.5%	598.8%	0.4%	0.4%	2.7%	4.2%	4.0%
<u>Liquidity</u>										
Current Ratio	Current assets/current liabilities	2.4	1.7	1.9	1.9	2.8	2.8	2.5	2.2	2.0
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	2.4	1.7	1.9	1.9	2.8	2.8	2.5	2.2	2.0
Liquidity Ratio	Monetary Assets/Current Liabilities	1.1	0.9	1.0	0.9	1.5	1.5	1.4	1.4	1.5
<u>Revenue Management</u>										
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		46.4%	110.9%	91.2%	90.0%	79.7%	0.0%	94.2%	95.6%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)			46.4%	110.9%	91.2%	90.0%	79.7%	0.0%	94.2%	95.6%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	13.8%	15.6%	17.7%	12.5%	16.8%	16.8%	13.0%	8.8%	4.8%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old									
<u>Creditors Management</u>										
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA' s 65(e))									
Creditors to Cash and Investments		142.7%	102.9%	74.1%	922.8%	90.9%	90.9%	106.6%	94.3%	72.8%
<u>Other Indicators</u>										
Electricity Distribution Losses (2)	% Volume (units purchased and generated less units sold)/units purchased and generated									
Water Distribution Losses (2)	% Volume (units purchased and own source less units sold)/Total units purchased and own source									
Employee costs	Employee costs/(Total Revenue - capital revenue)	22.0%	32.4%	29.0%	33.0%	33.3%	33.3%	37.1%	35.0%	34.2%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	23.8%	35.2%	31.2%	35.6%	36.1%	36.1%	39.9%	37.8%	36.9%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	1.9%	4.8%	11.5%	4.4%	4.6%	4.6%	11.0%	11.9%	11.7%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	5.2%	8.0%	20.0%	19.6%	20.7%	20.7%	21.0%	20.8%	19.1%
<u>IDP regulation financial viability indicators</u>										
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	40.1	15.4	45.8	51.9	51.9	51.9	48.9	54.7	59.4
ii.O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	37.1%	24.2%	28.2%	19.1%	26.3%	26.3%	20.5%	13.6%	7.5%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	1.3	1.9	2.7	0.2	2.2	2.2	1.6	1.7	2.0

Table 31 MBRR Table SA 9 - Social, economic and demographic statistics and assumptions

Description of economic indicator	Ref.	Basis of calculation	1996 Census	2001 Census	2007 Survey	2008/9	2009/10	2010/11	Current Year 2011/12	2012/13 Medium Term Revenue & Expenditure Framework		
						Outcome	Outcome	Outcome	Original Budget	Outcome	Outcome	Outcome
Demographics												
Population		Population is decreasing	44	73	53	55	55	54	53	53	53	53
Females aged 5 - 14			5	7	5	4	4	4	4	4	4	4
Males aged 5 - 14			5	4	5	6	6	6	6	6	6	6
Females aged 15 - 34			7	4	10	10	10	10	10	10	10	10
Males aged 15 - 34			8	14	10	11	11	11	11	11	11	11
Unemployment			2	5	4							
Monthly household income (no. of households)	1, 12	Based on Population Growth	618	3 236	454	492	487	482	478	478	473	473
No income												
R1 - R1 600												
R1 601 - R3 200												
R3 201 - R6 400												
R6 401 - R12 800												
R12 801 - R25 600												
R25 601 - R51 200												
R52 201 - R102 400												
R102 401 - R204 800												
R204 801 - R409 600												
R409 601 - R819 200												
> R819 200												
Poverty profiles (no. of households)												
< R2 060 per household per month	13	Income under R1 500	13 998	18 020	9 590	10020.00	9920.00	9820.00	9722.00	9722.00	9625.00	9625.00
Insert description	2											
Household/demographics (000)												
Number of people in municipal area			50 227	72 810	52 602	55	55	54	53	53	53	53
Number of poor people in municipal area			13 998	18 020	9 590	10	10	10	10	10	10	10
Number of households in municipal area			12 091	20 965	15 826	17	17	17	16	16	16	16
Number of poor households in municipal area			6 163	3 050	450	0	0	0	0	0	0	0
Definition of poor household (R per month)		Income under R1 500										
Housing statistics												
Formal	3		7 046	10 081	9 441		5 137					
Informal			4 216	7 327	4 193		4 227					
Total number of households			11 262	17 408	13 634	-	9 364	-	-	-	-	-
Dwellings provided by municipality	4		12 091									
Dwellings provided by province/s						984	1 700	300				
Dwellings provided by private sector	5					408	232					
Total new housing dwellings			12 091	-	-	1 392	1 932	300	-	-	-	-
Economic												
Inflation/inflation outlook (CPIX)	6					9.9%	6.7%	5.7%	5.7%	5.9%	5.3%	4.9%
Interest rate - borrowing												
Interest rate - investment												
Remuneration increases							13.0%	8.0%		6.0%	6.0%	6.0%
Consumption growth (electricity)												
Consumption growth (water)												
Collection rates	7											
Property tax/service charges								90.0%		95.0%	96.0%	97.0%
Rental of facilities & equipment								90.0%		100.0%	100.0%	100.0%
Interest - external investments								100.0%		100.0%	100.0%	100.0%
Interest - debtors								90.0%		100.0%	100.0%	100.0%
Revenue from agency services								100.0%		100.0%	100.0%	100.0%

Table 32 MBRR Table SA 10 - Funding measurement

Description	MFMA section	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Funding measures										
Cash/cash equivalents at the year end - R'000	18(1)b	9,376	19,009	29,813	2,709	27,500	27,500	23,454	26,500	34,346
Cash + investments at the yr end less applications - R'000	18(1)b	14,889	17,190	29,488	14,063	33,256	33,256	23,454	26,500	34,346
Cash year end/monthly employee/supplier payments	18(1)b	1.3	1.9	2.7	0.2	2.2	2.2	1.6	1.7	2.0
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	101,970	6,781	(5,157)	6,964	14,287	14,287	5,174	(2,926)	2
Service charge rev % change - macro CPI target exclusive	18(1)a,(2)	N.A.	19.4%	14.6%	9.7%	(10.6%)	(6.0%)	(0.2%)	3.4%	3.1%
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	46.4%	110.9%	91.2%	90.0%	79.7%	79.7%	94.2%	95.6%	98.4%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	0.0%	12.4%	6.0%	3.3%	3.4%	3.4%	3.2%	3.7%	3.4%
Capital payments % of capital expenditure	18(1)c,19	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	100.0%	0.0%
Grants % of Govt. legislated/gazetted allocations	18(1)a							0.0%	0.0%	0.0%
Current consumer debtors % change - incr(decr)	18(1)a	N.A.	(18.1%)	40.4%	(21.7%)	31.5%	0.0%	(17.7%)	(27.3%)	(40.4%)
Long term receivables % change - incr(decr)	18(1)a	N.A.	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
R&M % of Property Plant & Equipment	20(1)(vi)	1.6%	2.8%	2.3%	1.1%	1.0%	1.0%	2.6%	3.0%	3.0%
Asset renewal % of capital budget	20(1)(vi)	0.0%	0.0%	66.2%	74.1%	62.2%	62.2%	81.1%	95.2%	94.3%

Table 33 MBRR Table SA11 - Property rates summary

Description	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Valuation:									
Date of valuation:	2008/07/01	2008/07/01	2008/07/01						
Financial year valuation used	1/07/2008	1/07/2008	1/07/2008	1/07/2008					
Municipal by-laws s6 in place? (Y/N)	No	No	No	No					
Municipal/assistant valuer appointed? (Y/N)	Yes	Yes	Yes	Yes					
Municipal partnership s38 used? (Y/N)	No	No	No	No	No	No			
No. of assistant valuers (FTE)	-	-	-	-	-	-			
No. of data collectors (FTE)	4	4	4	4	4	4			
No. of internal valuers (FTE)	-	-	-	-	-	-			
No. of external valuers (FTE)	1	1	1	1	1	1			
No. of additional valuers (FTE)	-	-	-	-	-	-			
Valuation appeal board established? (Y/N)	Yes	Yes	Yes	Yes					
Implementation time of new valuation roll (mths)	48	48	48	48					
No. of properties									
No. of sectional title values									
No. of unreasonably difficult properties s7(2)	-	-	-	-					
No. of supplementary valuations	264	264	264						
No. of valuation roll amendments	-	-	-						
No. of objections by rate payers	11	11	11						
No. of appeals by rate payers									
No. of successful objections	2	2	2						
No. of successful objections > 10%									
Supplementary valuation									
Public service infrastructure value (Rm)									
Municipality owned property value (Rm)	25	25	25						
Valuation reductions:									
Valuation reductions-public infrastructure (Rm)									
Valuation reductions-nature reserves/park (Rm)									
Valuation reductions-mineral rights (Rm)									
Valuation reductions-R15,000 threshold (Rm)									
Valuation reductions-public worship (Rm)									
Valuation reductions-other (Rm)									
Total valuation reductions:	-	-	-	-	-	-	-	-	-
Total value used for rating (Rm)									
Total land value (Rm)									
Total value of improvements (Rm)									
Total market value (Rm)									
Rating:									
Residential rate used to determine rate for other categories? (Y/N)									
Differential rates used? (Y/N)									
Limit on annual rate increase (s20)? (Y/N)									
Special rating area used? (Y/N)									
Phasing-in properties s21 (number)									
Rates policy accompanying budget? (Y/N)									
Fixed amount minimum value (R'000)									
Non-residential prescribed ratio s19? (%)									
Rate revenue:									
Rate revenue budget (R'000)	11 303	12 907		25 861					
Rate revenue expected to collect (R'000)	10 172	11 617		23 275					
Expected cash collection rate (%)	90.0%	90.0%		90.0%					
Special rating areas (R'000)									
Rebates, exemptions - indigent (R'000)									
Rebates, exemptions - pensioners (R'000)									
Rebates, exemptions - bona fide farm. (R'000)									
Rebates, exemptions - other (R'000)									
Phase-in reductions/discounts (R'000)									
Total rebates, exemptions, reductions, discounts (R'000)	-	-	-	-	-	-	-	-	-

Table 34 MBRR Table SA12 - Property Rates by Category

Description	Resi.	Indust.	Bus. & Comm.	Farm props.	State-owned	Muni props.	Public service infra.	Private owned towns
Current Year 2011/12								
Valuation:								
No. of properties	7 227	105	336	2 352	40	1 210		288
No. of sectional title property values								
No. of unreasonably difficult properties s7(2)								
No. of supplementary valuations								
Supplementary valuation (Rm)								
No. of valuation roll amendments								
No. of objections by rate-payers								
No. of appeals by rate-payers								
No. of appeals by rate-payers finalised								
No. of successful objections								
No. of successful objections > 10%								
Estimated no. of properties not valued								
Years since last valuation (select)	4	4	4	4	4	4		4
Frequency of valuation (select)	4	4	4	4	4	4		4
Method of valuation used (select)	Market	Market	Market	Market	Market	Market		Market
Base of valuation (select)	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.		Land & impr.
Phasing-in properties s21 (number)								
Combination of rating types used? (Y/N)								
Flat rate used? (Y/N)	No	No	No	No	No	No		No
Is balance rated by uniform rate/variable rate?								
Valuation reductions:								
Valuation reductions-public infrastructure (Rm)								
Valuation reductions-nature reserves/park (Rm)								
Valuation reductions-mineral rights (Rm)								
Valuation reductions-R15,000 threshold (Rm)	108							
Valuation reductions-public worship (Rm)								
Valuation reductions-other (Rm)								
Total valuation reductions:								
Total value used for rating (Rm)	1 617	77	138	2 809	17	324		306
Total land value (Rm)								
Total value of improvements (Rm)								
Total market value (Rm)								
Rating:								
Average rate								
Rate revenue budget (R '000)								
Rate revenue expected to collect (R'000)								
Expected cash collection rate (%)								
Special rating areas (R'000)								
Rebates, exemptions - indigent (R'000)	353							
Rebates, exemptions - pensioners (R'000)	5							
Rebates, exemptions - bona fide farm. (R'000)	1 812							
Rebates, exemptions - other (R'000)	2 166							
Phase-in reductions/discounts (R'000)								
Total rebates, exemptns, reductns, discs (R'000)								

Table 35 MBRR Table SA 13 – Service Tariffs by category

Description	Provide description of tariff structure where appropriate	2008/9	2009/10	2010/11	Current Year 2011/12	2012/13 Medium Term Revenue & Expenditure Framework		
						Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Property rates (rate in the Rand)								
Residential properties		0.0040	0.0044	0.0047	0.0051	0.0054	0.0057	0.0060
Residential properties - vacant land								
Formal/informal settlements								
Small holdings								
Farm properties - used		0.0014	0.0015	0.0012	0.0013	0.0014	0.0015	0.0016
Farm properties - not used								
Industrial properties								
Business and commercial properties		0.0160	0.0176	0.0187	0.0194	0.0206	0.0218	0.0231
Communal land - residential								
Communal land - small holdings								
Communal land - farm property								
Communal land - business and commercial								
Communal land - other								
State-owned properties		0.0014	0.0015	0.0012	0.0194	0.0206	0.0218	0.0231
Municipal properties								
Public service infrastructure								
Privately owned towns serviced by the State trust land								
Restitution and redistribution properties								
Protected areas								
National monuments properties								
<u>Exemptions, reductions and rebates</u>								
<u>Residential properties</u>								
R15 000 threshold rebate		15,000	15,000	15,000	15,000	15,000	15,000	15,000
General residential rebate								
Indigent rebate or exemption								
Pensioners/social grants rebate or exemption								
Temporary relief rebate or exemption								
Bona fide farmers rebate or exemption								
<u>List other rebates or exemptions</u>								
[insert lines if necessary]								
<u>Water tariffs</u>								
<u>Domestic</u>								
Basic charge/fix fee (Rands/month)								
Service point - vacant land (Rands/month)								
Water usage - flat rate tariff (c/kl)								
Water usage - life line tariff	(describe structure)							
Water usage - Block 1 (c/kl)	0 - 20 kl	5.10	6.00	7.38	8.49	9.17	9.90	10.70
Water usage - Block 2 (c/kl)	> 20 kl	6.92	8.10	9.96	11.45	12.37	13.36	14.43
Water usage - Block 3 (c/kl)	(fill in thresholds)							
Water usage - Block 4 (c/kl)	(fill in thresholds)							
[insert extra blocks if necessary]								
<u>Waste water tariffs</u>								
<u>Domestic</u>								
Basic charge/fix fee (Rands/month)								
Service point - vacant land (Rands/month)								
Waste water - flat rate tariff (c/kl)								
Volumetric charge - Block 1 (c/kl)	0 - 600 square metre	21.35	22.40	23.74	25.16	26.67	28.27	29.97
Volumetric charge - Block 2 (c/kl)	600 - 1983 square metre	42.87	45.00	47.70	50.56	53.59	56.81	60.21
	1983 - 2975 square metre	56.78	59.60	63.18	66.97	70.99	75.25	79.76
	2975 - 3966 square metre	71.09	74.60	79.08	83.82	88.85	94.18	99.83
	3966 - 4957 square metre	85.17	89.40	94.76	100.45	106.48	112.87	119.64
	4975 - 9914 square metre	99.37	104.30	110.56	117.19	124.22	131.67	139.57
	above 9914 square metre	2.34	2.50	2.65	2.81	2.98	3.16	3.35
Volumetric charge - Block 3 (c/kl)	(fill in structure)							
Volumetric charge - Block 4 (c/kl)	(fill in structure)							
[insert extra blocks if necessary]								

Electricity tariffs							
Domestic							
Basic charge/fix ed fee (<i>Rands/month</i>)						65	
Service point - vacant land (<i>Rands/month</i>)							
FBE	(how is this targeted?)						
Life-line tariff - meter	(describe structure)						
Life-line tariff - prepaid	(describe structure)						
Flat rate tariff - meter (<i>c/kwh</i>)							
Flat rate tariff - prepaid(<i>c/kwh</i>)							
Meter - IBT Block 1 (<i>c/kwh</i>)	0 - 50 kwh	0.5068	0.6806	0.8303	0.8303	0.6600	
Meter - IBT Block 2 (<i>c/kwh</i>)	51 - 350 kwh	0.5068	0.6806	0.8303	0.8600	0.8200	
Meter - IBT Block 3 (<i>c/kwh</i>)	351 - 600 kwh	0.5068	0.6806	0.8303	1.0400	1.0900	
Meter - IBT Block 4 (<i>c/kwh</i>)	> 601 kwh	0.5068	0.6806	0.8303	1.3100	1.2900	
Meter - IBT Block 5 (<i>c/kwh</i>)							
[insert extra blocks if necessary]							
Prepaid - IBT Block 1 (<i>c/kwh</i>)	0 - 50 kwh	0.5068	0.6806	0.8303	0.8303	0.6800	
Prepaid - IBT Block 2 (<i>c/kwh</i>)	51 - 350 kwh	0.5068	0.6806	0.8303	0.8600	0.8600	
Prepaid - IBT Block 3 (<i>c/kwh</i>)	351 - 600 kwh	0.5068	0.6806	0.8303	1.0400	1.0900	
Prepaid - IBT Block 4 (<i>c/kwh</i>)	> 601 kwh	0.5068	0.6806	0.8303	1.3100	1.2900	
Prepaid - IBT Block 5 (<i>c/kwh</i>)	(fill in thresholds)						
[insert extra blocks if necessary]	(fill in thresholds)						
Waste management tariffs							
Domestic							
Street cleaning charge							
Basic charge/fix ed fee							
80l bin - once a week			56.10	59.47	63.04	68.08	73.53
250l bin - once a week							79.41

Table 36 MBRR Table SA 15 - Investment particulars by type

Investment type	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand									
Parent municipality									
Securities - National Government	4	4	4	4	4	4	4	4	4
Listed Corporate Bonds	-	-	-	-	-	-	-	-	-
Deposits - Bank	27 232	28 142	29 604	23 858	29 604	29 604	36 147	35 055	36 657
Deposits - Public Investment Commissioners	-	-	-	-	-	-	-	-	-
Deposits - Corporation for Public Deposits	-	-	-	-	-	-	-	-	-
Bankers Acceptance Certificates	-	-	-	-	-	-	-	-	-
Negotiable Certificates of Deposit - Banks	-	-	-	-	-	-	-	-	-
Guaranteed Endowment Policies (sinking)	1 250	1 458	1 702	1 816	1 816	1 816	2 082	2 291	2 520
Repurchase Agreements - Banks	-	-	-	-	-	-	-	-	-
Municipal Bonds	-	-	-	-	-	-	-	-	-
Municipality sub-total	28 486	29 605	31 309	25 679	31 424	31 424	38 234	37 349	39 181
Entities									
Securities - National Government									
Listed Corporate Bonds									
Deposits - Bank									
Deposits - Public Investment Commissioners									
Deposits - Corporation for Public Deposits									
Bankers Acceptance Certificates									
Negotiable Certificates of Deposit - Banks									
Guaranteed Endowment Policies (sinking)									
Repurchase Agreements - Banks									
Entities sub-total	-	-	-	-	-	-	-	-	-
Consolidated total:	28 486	29 605	31 309	25 679	31 424	31 424	38 234	37 349	39 181

Table 37 MBRR Table SA16 - Investment particulars by maturity

Investments by Maturity	Period of Investment	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate 3.	Commission Paid (Rands)	Commission Recipient	Expiry date of investment	Monetary value	Interest to be realised
Name of institution & investment ID	Yrs/Months								Rand thousand	
Parent municipality										
NTK		Shares				0			4	
RMB	17 years	Sinking Fund	yes	Fixed	16%	0		19 October 2015	2 082	245
ABSA - 405 963 6391		Call Account	yes	Variable	1%	0			63	1
FNB - 710 5722 0470	12 Months	Fixed Deposit	yes	Variable	5%	0		07/09/2012	900	35
FNB - 620 3596 2720		Call Account	yes	Variable	3%	0			190	5
FNB - 621 0442 5295		Call Account	yes	Variable	1%	0			29	0
Standard Bank - 0388 3585 1003		32 Days	yes	Variable	5%	0			1 100	30
ABSA - 925 502 6252		Call Account	yes	Variable	5%	0			4 880	244
ABSA - 207 111 2458	4 Months	Fixed Deposit	yes	Variable	6%	0		21/05/2012	12 708	435
Standard Bank - 0388 3585 1005	4 Months	Fixed Deposit	yes	Variable	6%	0		3/6/2012	16 278	505
Municipality sub-total									38 234	1 500
Entities										
Entities sub-total									-	-
TOTAL INVESTMENTS AND INTEREST									38 234	1 500

Table 38 MBRR Table SA 17 – Borrowing

Borrowing - Categorised by type R thousand	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Parent municipality									
Long-Term Loans (annuity/reducing balance)	3,651	3,131	2,767	2,230	2,230	2,230	16,394	25,297	24,451
Long-Term Loans (non-annuity)									
Local registered stock									
Instalment Credit									
Financial Leases	369	152	94	165	165	165	105	95	85
PPP liabilities									
Finance Granted By Cap Equipment Supplier									
Marketable Bonds									
Non-Marketable Bonds									
Bankers Acceptances									
Financial derivatives									
Other Securities									
Municipality sub-total	4,020	3,283	2,861	2,395	2,395	2,395	16,499	25,392	24,536
Entities									
Long-Term Loans (annuity/reducing balance)									
Long-Term Loans (non-annuity)									
Local registered stock									
Instalment Credit									
Financial Leases									
PPP liabilities									
Finance Granted By Cap Equipment Supplier									
Marketable Bonds									
Non-Marketable Bonds									
Bankers Acceptances									
Financial derivatives									
Other Securities									
Entities sub-total	-	-	-	-	-	-	-	-	-
Total Borrowing	4,020	3,283	2,861	2,395	2,395	2,395	16,499	25,392	24,536

Table 39 MBRR Table SA 18 - Transfers and grant receipts

Description R thousand	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
RECEIPTS:									
Operating Transfers and Grants									
National Government:	29,656	39,403	48,276	54,302	52,479	52,479	62,293	65,953	71,182
Local Government Equitable Share	27,626	35,918	44,945	50,075	48,252	48,252	56,393	60,536	65,544
Finance Management	1,295	2,750	1,948	1,250	1,250	1,250	1,500	1,500	1,750
Municipal Systems Improvement	735	735	604	790	790	790	800	900	950
EPWP Incentive	-	-	-	536	536	536	912	-	-
Integrated National Electrification Programme	-	-	-	-	-	-	684	912	713
Municipal Infrastructure Grant	-	-	779	1,651	1,651	1,651	2,004	2,105	2,225
Provincial Government:	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant	-	-	-	-	-	-	-	-	-
District Municipality:	-	44	2,000	1,000	1,000	1,000	-	-	-
Waterberg District	-	-	2,000	1,000	1,000	1,000	-	-	-
Mabatlane Water Supply	-	44	-	-	-	-	-	-	-
Other grant providers:	-	530	-	-	-	-	-	-	-
DWA	-	530	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
Total Operating Transfers and Grants	29,656	39,977	50,276	55,302	53,479	53,479	62,293	65,953	71,182
Capital Transfers and Grants									
National Government:	25,789	28,236	22,199	32,505	32,505	32,505	50,430	41,602	44,009
Municipal Infrastructure Grant (MIG)	21,777	28,236	21,003	32,505	32,505	32,505	39,430	41,602	44,009
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
Integrated National Electrification Programme							3,000		
Electricity Demand Side Management							8,000		
Department of Mineral & Energy	4,012								
Municipal Systems Improvement			146						
Finance Management	-	-	1,051	-	-	-	-	-	-
Provincial Government:	-	-	-	-	3,000	3,000	-	-	-
Department of Sport	-	-	-	-	3,000	3,000	-	-	-
District Municipality:	-	-	-	-	-	-	-	-	-
Waterberg District	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
Other grant providers:	-	-	-	-	-	-	-	-	-
DWA	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
Total Capital Transfers and Grants	25,789	28,236	22,199	32,505	35,505	35,505	50,430	41,602	44,009
TOTAL RECEIPTS OF TRANSFERS & GRANTS	55,445	68,213	72,476	87,807	88,984	88,984	112,723	107,555	115,191

Table 40 MBRR Table SA 19 - Expenditure on transfers and grant programme

Description R thousand	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
EXPENDITURE:									
Operating expenditure of Transfers and Grants									
National Government:	29,262	38,533	49,093	54,302	55,150	55,150	62,293	65,953	71,182
Local Government Equitable Share	27,626	35,918	44,945	50,075	50,075	50,075	56,393	60,536	65,544
Finance Management	1,011	1,972	2,863	1,250	1,795	1,795	1,500	1,500	1,750
Municipal Systems Improvement	624	642	506	790	1,093	1,093	800	900	950
EPWP Incentive				536	536	536	912	-	-
Integrated National Electrification Programme							684	912	713
Municipal Infrastructure Grant			779	1,651	1,651	1,651	2,004	2,105	2,225
Provincial Government:	-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant									
District Municipality:	-	44	2,000	1,000	1,000	1,000	-	-	-
Waterberg District			2,000	1,000	1,000	1,000			
Mabatlane Water Supply		44							
Other grant providers:	-	530	-	-	1,823	1,823	-	-	-
DWA		530							
Department of Energy					1,823	1,823			
Total operating expenditure of Transfers and Grants	29,262	39,107	51,093	55,302	57,972	57,972	62,293	65,953	71,182
Capital expenditure of Transfers and Grants									
National Government:	25,789	22,540	19,475	32,505	39,558	39,558	50,430	41,602	44,009
Municipal Infrastructure Grant (MIG)	21,777	22,540	18,380	32,505	39,558	39,558	50,430	41,602	44,009
Department of Mineral & Energy	4,012								
Municipal Systems Improvement			146						
Finance Management			949						
Provincial Government:	-	-	-	-	3,000	3,000	-	-	-
Department of Sport					3,000	3,000			
District Municipality:	-	-	-	-	-	-	-	-	-
Waterberg District									
Other grant providers:	-	-	-	-	-	-	-	-	-
DWA									
Total capital expenditure of Transfers and Grants	25,789	22,540	19,475	32,505	42,558	42,558	50,430	41,602	44,009
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	55,051	61,647	70,568	87,807	100,530	100,530	112,723	107,555	115,191

Table 41 MBRR Table SA 20 - Reconciliation of transfers, grant receipts and unspent funds

Description R thousand	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Operating transfers and grants:									
National Government:									
Balance unspent at beginning of the year	296	691	1,561		848	848			
Current year receipts	29,656	39,403	48,276	54,302	52,479	52,479	62,293	65,953	71,182
Conditions met - transferred to revenue	29,262	38,533	48,989	54,302	53,327	53,327	62,293	65,953	71,182
Conditions still to be met - transferred to liabilities	691	1,561	848						
Provincial Government:									
Balance unspent at beginning of the year									
Current year receipts	-	-	-	-	-	-	-	-	-
Conditions met - transferred to revenue	-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities									
District Municipality:									
Balance unspent at beginning of the year									
Current year receipts	-	44	2,000	1,000	1,000	1,000	-	-	-
Conditions met - transferred to revenue	-	44	2,000	1,000	1,000	1,000	-	-	-
Conditions still to be met - transferred to liabilities									
Other grant providers:									
Balance unspent at beginning of the year	1,823	1,823	1,823	1,823	1,823	1,823			
Current year receipts	-	530	-	-	-	-	-	-	-
Conditions met - transferred to revenue	-	530	-	-	1,823	1,823	-	-	-
Conditions still to be met - transferred to liabilities	1,823	1,823	1,823	1,823					
Total operating transfers and grants revenue	29,262	39,107	50,989	55,302	56,150	56,150	62,293	65,953	71,182
Total operating transfers and grants - CTBM	2,513	3,383	2,671	1,823	-	-	-	-	-
Capital transfers and grants:									
National Government:									
Balance unspent at beginning of the year			5,696		8,317	8,317			
Current year receipts	25,789	28,236	22,199	32,505	32,505	32,505	50,430	41,602	44,009
Conditions met - transferred to revenue	25,789	22,540	19,578	32,505	36,558	36,558	50,430	41,602	44,009
Conditions still to be met - transferred to liabilities		5,696	8,317		4,264	4,264			
Provincial Government:									
Balance unspent at beginning of the year									
Current year receipts	-	-	-	-	3,000	3,000	-	-	-
Conditions met - transferred to revenue	-	-	-	-	3,000	3,000	-	-	-
Conditions still to be met - transferred to liabilities									
District Municipality:									
Balance unspent at beginning of the year									
Current year receipts	-	-	-	-	-	-	-	-	-
Conditions met - transferred to revenue	-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities									
Other grant providers:									
Balance unspent at beginning of the year									
Current year receipts	-	-	-	-	-	-	-	-	-
Conditions met - transferred to revenue	-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities									
Total capital transfers and grants revenue	25,789	22,540	19,578	32,505	39,558	39,558	50,430	41,602	44,009
Total capital transfers and grants - CTBM	-	5,696	8,317	-	4,264	4,264	-	-	-
TOTAL TRANSFERS AND GRANTS REVENUE	55,051	61,647	70,568	87,807	95,707	95,707	112,723	107,555	115,191
TOTAL TRANSFERS AND GRANTS - CTBM	2,513	9,079	10,987	1,823	4,264	4,264	-	-	-

Table 42 MBRR Table SA21 - Transfers and grants made by the municipality

Description R thousand	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Cash Transfers to other municipalities <i>Insert description</i>	-	-	-	-	-	-	-	-	-
Total Cash Transfers To Municipalities:	-	-	-	-	-	-	-	-	-
Cash Transfers to Entities/Other External Mechanisms <i>Insert description</i>									
Total Cash Transfers To Entities/Ems'	-	-	-	-	-	-	-	-	-
Cash Transfers to other Organs of State <i>Insert description</i>									
Total Cash Transfers To Other Organs Of State:	-	-	-	-	-	-	-	-	-
Cash Transfers to Organisations <i>Insert description</i>									
Total Cash Transfers To Organisations	-	-	-	-	-	-	-	-	-
Cash Transfers to Groups of Individuals <i>Insert description</i>									
Total Cash Transfers To Groups Of Individuals:	-	-	-	-	-	-	-	-	-
TOTAL CASH TRANSFERS AND GRANTS	-	-	-	-	-	-	-	-	-
Non-Cash Transfers to other municipalities <i>Insert description</i>	-	-	-	-	-	-	-	-	-
Total Non-Cash Transfers To Municipalities:	-	-	-	-	-	-	-	-	-
Non-Cash Transfers to Entities/Other External Mechanisms <i>Insert description</i>									
Total Non-Cash Transfers To Entities/Ems'	-	-	-	-	-	-	-	-	-
Non-Cash Transfers to other Organs of State <i>Insert description</i>									
Total Non-Cash Transfers To Other Organs Of State:	-	-	-	-	-	-	-	-	-
Non-Cash Grants to Organisations <i>Insert description</i>									
Total Non-Cash Grants To Organisations	-	-	-	-	-	-	-	-	-
Groups of Individuals <i>Insert description</i>									
Total Non-Cash Grants To Groups Of Individuals:	-	-	-	-	-	-	-	-	-
TOTAL NON-CASH TRANSFERS AND GRANTS	-	-	-	-	-	-	-	-	-
TOTAL TRANSFERS AND GRANTS	-	-	-	-	-	-	-	-	-

Table 43 MBRR Table SA 22 - Summary councillor and staff benefits

Summary of Employee and Councillor remuneration R thousand	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
	A	B	C	D	E	F	G	H	I
Councillors (Political Office Bearers plus Other)									
Basic Salaries and Wages	1,943	2,410	2,257	2,877	3,020	3,020	3,309	3,507	3,718
Pension and UIF Contributions	302	341	371	517	538	538	496	526	558
Medical Aid Contributions	61	91	94	125	158	158	117	124	131
Motor Vehicle Allowance	711	893	811	1,145	1,210	1,210	1,307	1,386	1,469
Cellphone Allowance	149	183	197	240	245	245	262	277	294
Housing Allowances	-	-	-	-	-	-	-	-	-
Other benefits and allowances	-	-	-	-	-	-	-	-	-
Sub Total - Councillors	3,167	3,918	3,730	4,903	5,172	5,172	5,491	5,821	6,170
% increase		23.7%	(4.8%)	31.5%	5.5%	-	6.2%	6.0%	6.0%
Senior Managers of the Municipality									
Basic Salaries and Wages	2,007	1,009	1,494	2,649	2,136	2,136	2,938	3,114	3,301
Pension and UIF Contributions	289	203	431	538	434	434	627	665	705
Medical Aid Contributions	64	48	-	138	110	110	133	141	149
Overtime	-	-	-	-	-	-	-	-	-
Performance Bonus	-	-	-	250	-	-	-	-	-
Motor Vehicle Allowance	609	423	768	922	737	737	892	945	1,002
Cellphone Allowance	-	-	20	-	-	-	-	-	-
Housing Allowances	-	-	-	-	-	-	-	-	-
Other benefits and allowances	146	170	-	118	104	104	77	82	87
Payments in lieu of leave	-	-	-	-	-	-	-	-	-
Long service awards	-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	-	-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Municipality	3,116	1,853	2,713	4,614	3,521	3,521	4,667	4,947	5,244
% increase		(40.5%)	46.4%	70.1%	(23.7%)	-	32.5%	6.0%	6.0%
Other Municipal Staff									
Basic Salaries and Wages	28,577	30,939	33,910	39,634	39,810	39,810	46,738	47,026	49,847
Pension and UIF Contributions	4,205	4,705	6,676	7,467	7,420	7,420	9,091	9,636	10,215
Medical Aid Contributions	1,081	1,224	1,575	2,721	2,763	2,763	2,469	2,617	2,774
Overtime	1,655	1,774	1,642	1,819	1,950	1,950	2,547	2,334	2,475
Performance Bonus	-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance	1,524	1,753	2,403	2,526	2,708	2,708	3,184	3,373	3,575
Cellphone Allowance	-	226	-	22	22	22	-	-	-
Housing Allowances	190	177	192	354	354	354	208	220	233
Other benefits and allowances	1,339	1,621	461	2,513	2,530	2,530	1,644	1,743	1,847
Payments in lieu of leave	-	-	(524)	-	-	-	900	900	900
Long service awards	-	-	120	-	-	-	-	-	-
Post-retirement benefit obligations	-	-	-	-	-	-	800	900	950
Sub Total - Other Municipal Staff	38,571	42,420	46,455	57,055	57,557	57,557	67,580	68,749	72,816
% increase		10.0%	9.5%	22.8%	0.9%	-	17.4%	1.7%	5.9%
Total Parent Municipality	44,854	48,191	52,897	66,573	66,250	66,250	77,738	79,517	84,230
		7.4%	9.8%	25.9%	(0.5%)	-	17.3%	2.3%	5.9%
TOTAL SALARY, ALLOWANCES & BENEFITS	44,854	48,191	52,897	66,573	66,250	66,250	77,738	79,517	84,230
% increase		7.4%	9.8%	25.9%	(0.5%)	-	17.3%	2.3%	5.9%
TOTAL MANAGERS AND STAFF	41,687	44,273	49,168	61,669	61,078	61,078	72,247	73,696	78,060

Table 44 MBRR Table SA 23 - Salaries, allowances & benefits (political office bearers/ councilors/senior managers

Disclosure of Salaries, Allowances & Benefits 1.	No.	Salary	Contributions	Allowances	Performance Bonuses	In-kind benefits	Total Package
Rand per annum			1.				2.
Councillors							
Speaker	1	338,405	50,760	149,692			538,857
Chief Whip	1	301,327	63,515	141,584			506,426
Executive Mayor	1	407,078	79,378	182,123			668,579
Deputy Executive Mayor							-
Executive Committee	2	475,817	71,373	239,242			786,432
Total for all other councillors	13	1,786,323	231,318	973,220			2,990,861
Total Councillors	18	3,308,949	496,345	1,685,861			5,491,155
Senior Managers of the Municipality							
Municipal Manager (MM)		652,135	132,433	223,440	-		1,008,008
Chief Finance Officer		496,175	93,353	144,100	-		733,628
Manager: Social and Community Services		410,502	136,363	187,709	-		734,574
Manager: Cooperate Services		459,695	123,353	150,580	-		733,628
Manager: Technincal Services		459,695	113,353	150,580	-		723,628
Manager: Planning and Economic Development		459,695	123,354	150,580	-		733,629
<i>List of each official with packages >= senior manager</i>							-
							-
							-
							-
							-
							-
							-
							-
							-
							-
Total Senior Managers of the Municipality	-	2,937,897	722,209	1,006,989	-		4,667,095
TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION	18	6,246,846	1,218,554	2,692,850	-		10,158,250

Table 45 MBRR Table SA 24 - Summary of personnel numbers

Summary of Personnel Numbers Number	2010/11			Current Year 2011/12			Budget Year 2012/13		
	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
Municipal Council and Boards of Municipal Entities									
Councillors (Political Office Bearers plus Other Councillors)	18	3	15	18	3	15	18	3	15
Board Members of municipal entities									
Municipal employees									
Municipal Manager and Senior Managers	5	–	3	6	–	6	6	–	6
Other Managers	16	13	1	16	13	1	16	13	1
Professionals	–	–	–	–	–	–	–	–	–
<i>Finance</i>									
<i>Spatial/town planning</i>									
<i>Information Technology</i>									
<i>Roads</i>									
<i>Electricity</i>									
<i>Water</i>									
<i>Sanitation</i>									
<i>Refuse</i>									
<i>Other</i>									
Technicians	37	37	–	40	38	–	40	38	2
<i>Finance</i>	5	5	–	5	5	–	5	5	–
<i>Spatial/town planning</i>	–	–	–	–	–	–	–	–	–
<i>Information Technology</i>	1	1	–	1	1	–	1	1	–
<i>Roads</i>	3	3	–	3	3	–	3	3	–
<i>Electricity</i>	7	7	–	8	8	–	8	8	–
<i>Water</i>	5	5	–	6	5	–	6	5	–
<i>Sanitation</i>	2	2	–	2	2	–	2	2	–
<i>Refuse</i>									
<i>Other</i>	14	14	–	15	14	–	15	14	2
Clerks (Clerical and administrative)	63	63	6	65	63	6	65	63	6
Service and sales workers									
Skilled agricultural and fishery workers	1	1	–	1	1	–	1	1	1
Craft and related trades	–	–	–	–	–	–	–	–	–
Plant and Machine Operators	50	50	–	50	50	–	50	50	–
Elementary Occupations	156	152	32	156	152	–	156	152	–
TOTAL PERSONNEL NUMBERS	346	319	57	352	320	28	352	320	31
% increase				1.7%	0.3%	(50.9%)	–	–	10.7%
Total municipal employees headcount	263			264			264		
Finance personnel headcount	29	20		29	29	–	29	29	
Human Resources personnel headcount	5	5		5	5	–	5	5	

Table 46 MBRR Table SA25 - Budgeted monthly revenue and expenditure

Description	Budget Year 2012/13												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Revenue By Source															
Property rates	1,570	1,570	1,570	1,570	1,570	1,570	1,570	1,570	1,570	1,570	1,570	1,570	18,837	20,040	21,466
Property rates - penalties & collection charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	6,575	6,475	5,675	5,275	4,675	4,075	4,475	4,175	4,675	5,075	5,775	6,075	63,000	70,712	78,600
Service charges - water revenue	1,880	2,079	2,476	2,665	2,674	2,574	2,870	2,673	2,375	2,180	1,880	2,174	28,500	30,200	32,000
Service charges - sanitation revenue	633	633	633	633	633	633	633	633	633	633	633	633	7,600	8,052	8,650
Service charges - refuse revenue	426	426	426	426	426	426	426	426	426	426	426	426	5,117	5,578	6,084
Service charges - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment	6	6	6	6	6	6	6	6	6	6	6	6	71	76	80
Interest earned - external investments	125	125	125	125	125	125	125	125	125	125	125	125	1,500	1,600	1,600
Interest earned - outstanding debtors	167	167	167	167	167	167	167	167	167	167	167	167	2,000	1,900	1,800
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines	10	10	10	10	10	10	10	10	10	10	10	10	123	133	143
Licences and permits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Agency services	265	265	265	265	265	265	265	265	265	265	265	265	3,180	3,339	3,506
Transfers recognised - operational	22,355	674	674	674	15,180	674	674	674	18,690	674	674	674	62,293	65,953	71,182
Other revenue	230	230	230	230	230	230	230	230	230	230	230	230	2,762	2,759	2,933
Gains on disposal of PPE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and	34,242	12,661	12,258	12,047	25,961	10,756	11,452	10,955	29,172	11,362	11,762	12,356	194,982	210,342	228,045
Expenditure By Type															
Employee related costs	6,025	5,967	6,065	6,043	6,069	6,019	6,085	6,039	5,967	5,988	5,931	6,051	72,247	73,696	78,060
Remuneration of councillors	458	458	458	458	458	458	458	458	458	458	458	458	5,491	5,821	6,170
Debt impairment	-	-	-	-	-	-	-	-	-	-	-	-	4,000	5,000	5,000
Depreciation & asset impairment	3,127	3,127	3,127	3,127	3,127	3,127	3,127	3,127	3,127	3,127	3,127	3,127	37,519	39,443	39,219
Finance charges	-	-	644	-	-	927	-	-	927	-	-	927	3,426	4,246	4,305
Bulk purchases	5,530	5,197	5,197	4,960	4,950	4,960	4,960	4,950	5,208	5,530	5,530	5,528	62,500	71,000	80,500
Other materials	580	585	580	580	633	580	580	580	580	580	580	580	7,016	9,810	10,578
Contracted services	625	625	625	625	625	625	625	625	625	625	625	625	7,500	7,700	7,900
Transfers and grants	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other expenditure	3,210	3,246	3,229	3,164	3,119	3,122	3,123	3,163	3,165	3,164	3,162	5,671	40,539	38,155	40,321
Loss on disposal of PPE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure	19,553	19,203	19,924	18,956	18,981	19,817	18,958	18,941	20,057	19,471	19,412	26,967	240,238	254,870	272,052
Surplus/(Deficit)	14,689	(6,542)	(7,666)	(6,909)	6,980	(9,061)	(7,506)	(7,986)	9,115	(8,109)	(7,650)	(14,611)	(45,256)	(44,528)	(44,007)
Transfers recognised - capital	4,203	4,203	4,203	4,203	4,203	4,203	4,203	4,203	4,203	4,203	4,203	4,202	50,430	41,602	44,009
Contributions recognised - capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contributed assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	18,891	(2,339)	(3,463)	(2,707)	11,183	(4,858)	(3,303)	(3,784)	13,318	(3,906)	(3,448)	(10,409)	5,174	(2,926)	2
Taxation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Attributable to minorities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit)	18,891	(2,339)	(3,463)	(2,707)	11,183	(4,858)	(3,303)	(3,784)	13,318	(3,906)	(3,448)	(10,409)	5,174	(2,926)	2

Table 47 MBRR Table SA 26 - Budgeted monthly revenue and expenditure (municipal vote)

Description	Budget Year 2012/13												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand															
Revenue by Vote															
Vote 1 - Executive and Council	4,190	1,778	1,778	1,778	3,587	1,778	1,778	1,778	3,587	1,778	1,778	1,778	27,367	29,311	31,972
Vote 2 - Financial Services	10,160	403	403	403	7,721	403	403	403	7,721	403	403	403	29,232	30,901	32,723
Vote 3 - Corporate Services	75	75	75	75	75	75	75	75	75	75	75	75	900	1,000	1,050
Vote 4 - Social and Community Services	2,325	1,342	1,342	1,342	2,079	1,342	1,342	1,342	2,079	1,342	1,342	1,342	18,558	21,173	25,198
Vote 5 - Technical Services	21,680	13,250	12,847	12,636	16,687	11,345	12,041	11,544	19,898	11,951	12,351	12,945	169,179	169,370	180,912
Vote 6 - Planning and Development	15	15	15	15	15	15	15	15	15	15	15	15	177	188	199
Example 7 - Vote7	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Example 8 - Vote8	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Example 9 - Vote9	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Example 10 - Vote10	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Example 11 - Vote11	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Example 12 - Vote12	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Example 13 - Vote13	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Example 14 - Vote14	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Example 15 - Vote15	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue by Vote	38,445	16,863	16,460	16,249	30,164	14,958	15,654	15,157	33,375	15,564	15,964	16,558	245,412	251,944	272,054
Expenditure by Vote to be appropriated															
Vote 1 - Executive and Council	1,006	1,006	1,406	1,006	1,006	1,406	1,006	1,006	1,406	1,006	1,006	7,906	20,174	21,900	22,580
Vote 2 - Financial Services	1,164	1,144	1,185	1,120	1,079	1,081	1,102	1,122	1,125	1,120	1,122	1,146	13,509	12,838	13,374
Vote 3 - Corporate Services	1,162	1,162	1,202	1,162	1,162	1,202	1,162	1,162	1,202	1,162	1,162	1,202	14,109	15,891	17,333
Vote 4 - Social and Community Services	3,138	3,141	3,176	3,154	3,231	3,127	3,174	3,147	3,075	3,099	3,039	3,145	37,647	38,154	40,159
Vote 5 - Technical Services	12,448	12,115	12,319	11,878	11,868	12,366	11,878	11,868	12,614	12,448	12,448	12,933	147,186	158,412	170,352
Vote 6 - Planning and Development	635	635	635	635	635	635	635	635	635	635	635	634	7,614	7,675	8,254
Example 7 - Vote7	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Example 8 - Vote8	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Example 9 - Vote9	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Example 10 - Vote10	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Example 11 - Vote11	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Example 12 - Vote12	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Example 13 - Vote13	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Example 14 - Vote14	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Example 15 - Vote15	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	19,553	19,203	19,924	18,956	18,981	19,817	18,958	18,941	20,057	19,471	19,412	26,967	240,238	254,870	272,052
Surplus/(Deficit) before assoc.	18,891	(2,339)	(3,463)	(2,707)	11,183	(4,858)	(3,303)	(3,784)	13,318	(3,906)	(3,448)	(10,409)	5,174	(2,926)	2
Taxation													-	-	-
Attributable to minorities													-	-	-
Share of surplus/ (deficit) of associate													-	-	-
Surplus/(Deficit)	18,891	(2,339)	(3,463)	(2,707)	11,183	(4,858)	(3,303)	(3,784)	13,318	(3,906)	(3,448)	(10,409)	5,174	(2,926)	2

Table 48 MBRR Table SA 27 - Budgeted monthly revenue and expenditure (standard classification)

Description	Budget Year 2012/13												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Revenue - Standard															
<i>Governance and administration</i>	14,428	2,260	2,260	2,260	11,386	2,260	2,260	2,260	11,386	2,260	2,260	2,259	57,535	61,252	65,788
Executive and council	4,190	1,778	1,778	1,778	3,587	1,778	1,778	1,778	3,587	1,778	1,778	1,778	27,367	29,311	31,972
Budget and treasury office	10,160	403	403	403	7,721	403	403	403	7,721	403	403	403	29,232	30,901	32,723
Corporate services	78	78	78	78	78	78	78	78	78	78	78	78	936	1,040	1,093
<i>Community and public safety</i>	574	574	574	574	574	574	574	574	574	574	574	574	6,890	9,617	12,750
Community and social services	173	173	173	173	173	173	173	173	173	173	173	173	2,072	2,681	5,429
Sport and recreation	232	232	232	232	232	232	232	232	232	232	232	232	2,785	4,963	5,228
Public safety	169	169	169	169	169	169	169	169	169	169	169	169	2,033	1,973	2,094
Housing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>	1,559	1,559	1,559	1,559	1,559	1,559	1,559	1,559	1,559	1,559	1,559	1,559	18,707	26,356	22,129
Planning and development	183	183	183	183	183	183	183	183	183	183	183	183	2,195	2,293	2,424
Road transport	1,376	1,376	1,376	1,376	1,376	1,376	1,376	1,376	1,376	1,376	1,376	1,376	16,512	24,063	19,705
Environmental protection	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Trading services</i>	21,884	12,471	12,068	11,857	16,645	10,566	11,262	10,765	19,856	11,172	11,572	12,166	162,281	154,719	171,388
Electricity	11,663	7,663	6,863	6,463	7,033	5,263	5,663	5,363	10,543	6,263	6,963	7,262	87,000	82,293	90,865
Water	4,432	2,168	2,565	2,754	4,611	2,663	2,959	2,762	4,312	2,269	1,969	2,263	35,728	36,893	39,251
Waste water management	4,303	2,138	2,138	2,138	3,762	2,138	2,138	2,138	3,762	2,138	2,138	2,138	31,065	27,316	32,330
Waste management	1,486	502	502	502	1,240	502	502	502	1,240	502	502	502	8,488	8,217	8,942
<i>Other</i>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue - Standard	38,445	16,863	16,460	16,249	30,164	14,958	15,654	15,157	33,375	15,564	15,964	16,558	245,412	251,944	272,054
Expenditure - Standard															
<i>Governance and administration</i>	3,342	3,322	3,803	3,298	3,257	3,699	3,280	3,300	3,743	3,298	3,300	10,264	47,905	50,752	53,424
Executive and council	1,006	1,006	1,406	1,006	1,006	1,406	1,006	1,006	1,406	1,006	1,006	7,906	20,174	21,900	22,580
Budget and treasury office	1,164	1,144	1,185	1,120	1,079	1,081	1,102	1,122	1,125	1,120	1,122	1,146	13,509	12,838	13,374
Corporate services	1,172	1,172	1,212	1,172	1,172	1,212	1,172	1,172	1,212	1,172	1,172	1,212	14,222	16,014	17,469
<i>Community and public safety</i>	2,145	2,148	2,127	2,049	2,092	2,134	2,069	2,098	2,082	2,049	2,046	2,040	25,078	26,254	27,585
Community and social services	1,196	1,196	1,196	1,196	1,196	1,196	1,196	1,196	1,196	1,196	1,196	1,196	14,353	15,082	15,749
Sport and recreation	450	450	450	450	450	450	450	450	450	450	450	450	5,403	5,700	6,038
Public safety	499	502	481	402	446	488	422	452	435	403	399	393	5,322	5,472	5,798
Housing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>	3,179	3,179	3,275	3,291	3,324	3,219	3,291	3,235	3,219	3,235	3,179	3,331	38,957	41,955	42,842
Planning and development	801	801	801	801	801	801	801	801	801	801	801	801	9,618	9,781	10,479
Road transport	2,377	2,377	2,474	2,490	2,523	2,417	2,490	2,434	2,417	2,434	2,377	2,530	29,340	32,174	32,363
Environmental protection	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Trading services</i>	10,888	10,554	10,718	10,318	10,308	10,765	10,318	10,308	11,013	10,888	10,888	11,333	128,298	135,909	148,202
Electricity	7,118	6,785	6,885	6,518	6,518	6,902	6,518	6,518	7,168	7,118	7,118	7,502	82,671	87,153	97,403
Water	2,304	2,304	2,305	2,334	2,324	2,335	2,334	2,324	2,317	2,304	2,304	2,304	27,793	31,198	32,227
Waste water management	699	699	762	699	699	762	699	762	699	762	699	761	8,639	9,237	9,783
Waste management	766	766	766	766	766	766	766	766	766	766	766	766	9,196	8,321	8,788
<i>Other</i>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure - Standard	19,553	19,203	19,924	18,956	18,981	19,817	18,958	18,941	20,057	19,471	19,412	26,967	240,238	254,870	272,052
Surplus/(Deficit) before assoc.	18,891	(2,339)	(3,463)	(2,707)	11,183	(4,858)	(3,303)	(3,784)	13,318	(3,906)	(3,448)	(10,409)	5,174	(2,926)	2
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit)	18,891	(2,339)	(3,463)	(2,707)	11,183	(4,858)	(3,303)	(3,784)	13,318	(3,906)	(3,448)	(10,409)	5,174	(2,926)	2

Table 49 MBRR Table SA28 - Budgeted monthly capital expenditure (municipal vote)

Description R thousand	Budget Year 2012/13												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Multi-year expenditure to be appropriated															
Vote 1 - Executive and Council	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 2 - Financial Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 3 - Corporate Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 4 - Social and Community Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 5 - Technical Services	1,503	1,503	1,503	1,503	1,503	1,503	1,503	1,503	1,503	1,503	1,503	16,503	33,031	21,031	17,363
Vote 6 - Planning and Development	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Example 7 - Vote7	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Example 8 - Vote8	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Example 9 - Vote9	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Example 10 - Vote10	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Example 11 - Vote11	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Example 12 - Vote12	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Example 13 - Vote13	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Example 14 - Vote14	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Example 15 - Vote15	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	1,503	1,503	1,503	1,503	1,503	1,503	1,503	1,503	1,503	1,503	1,503	16,503	33,031	21,031	17,363
Single-year expenditure to be appropriated															
Vote 1 - Executive and Council	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 2 - Financial Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 3 - Corporate Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 4 - Social and Community Services	389	389	389	389	389	389	389	389	389	389	389	389	4,672	7,447	10,447
Vote 5 - Technical Services	2,311	2,311	2,311	2,311	2,311	2,311	2,311	2,311	2,311	2,311	2,311	2,311	27,727	23,124	16,199
Vote 6 - Planning and Development	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Example 7 - Vote7	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Example 8 - Vote8	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Example 9 - Vote9	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Example 10 - Vote10	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Example 11 - Vote11	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Example 12 - Vote12	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Example 13 - Vote13	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Example 14 - Vote14	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Example 15 - Vote15	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total	2,700	2,700	2,700	2,700	2,700	2,700	2,700	2,700	2,700	2,700	2,700	2,700	32,399	30,571	26,646
Total Capital Expenditure	4,203	4,203	4,203	4,203	4,203	4,203	4,203	4,203	4,203	4,203	4,203	19,203	65,430	51,602	44,009

Table 50 MBRR Table SA 29 - Budgeted monthly capital expenditure (standard classification)

Description R thousand	Budget Year 2012/13												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Capital Expenditure - Standard															
<i>Governance and administration</i>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Executive and council	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Budget and treasury office	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Corporate services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>	389	389	389	389	389	389	389	389	389	389	389	389	4,672	7,447	10,447
Community and social services	158	158	158	158	158	158	158	158	158	158	158	158	1,900	2,499	5,235
Sport and recreation	231	231	231	231	231	231	231	231	231	231	231	231	2,772	4,948	5,212
Public safety	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>	1,112	1,112	1,112	1,112	1,112	1,112	1,112	1,112	1,112	1,112	1,112	1,112	13,346	20,724	16,199
Planning and development	1	1	1	1	1	1	1	1	1	1	1	1	14	-	-
Road transport	1,111	1,111	1,111	1,111	1,111	1,111	1,111	1,111	1,111	1,111	1,111	1,111	13,332	20,724	16,199
Environmental protection	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Trading services</i>	2,701	2,701	2,701	2,701	2,701	2,701	2,701	2,701	2,701	2,701	2,701	17,701	47,412	23,431	17,363
Electricity	1,115	1,115	1,115	1,115	1,115	1,115	1,115	1,115	1,115	1,115	1,115	16,115	28,381	10,000	-
Water	83	83	83	83	83	83	83	83	83	83	83	83	1,000	-	-
Waste water management	1,503	1,503	1,503	1,503	1,503	1,503	1,503	1,503	1,503	1,503	1,503	1,503	18,031	13,431	17,363
Waste management	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Other</i>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Standard	4,203	4,203	4,203	4,203	4,203	4,203	4,203	4,203	4,203	4,203	4,203	19,203	65,430	51,602	44,009

Table 51 MBRR Table SA30 - Budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2012/13												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Cash Receipts By Source													1		
Property rates	1,570	1,570	1,570	1,570	1,570	1,570	1,570	1,570	1,570	1,570	1,570	1,570	18,837	20,040	21,466
Property rates - penalties & collection charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	6,575	6,475	5,675	5,275	4,675	4,075	4,475	4,175	4,675	5,075	5,775	13,575	70,500	77,712	85,600
Service charges - water revenue	1,880	2,079	2,476	2,665	2,674	2,574	2,870	2,673	2,375	2,180	1,880	2,174	28,500	30,200	32,000
Service charges - sanitation revenue	633	633	633	633	633	633	633	633	633	633	633	633	7,600	8,052	8,650
Service charges - refuse revenue	426	426	426	426	426	426	426	426	426	426	426	426	5,117	5,578	6,084
Service charges - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment	6	6	6	6	6	6	6	6	6	6	6	6	71	76	80
Interest earned - external investments	125	125	125	125	125	125	125	125	125	125	125	125	1,500	1,600	1,600
Interest earned - outstanding debtors	167	167	167	167	167	167	167	167	167	167	167	167	2,000	1,900	1,800
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines	10	10	10	10	10	10	10	10	10	10	10	10	123	133	143
Licences and permits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Agency services	265	265	265	265	265	265	265	265	265	265	265	265	3,180	3,339	3,506
Transfer receipts - operational	22,355	674	674	674	15,180	674	674	674	18,690	674	674	674	62,293	65,953	71,182
Other revenue	230	230	230	230	230	230	230	230	230	230	230	230	2,762	2,759	2,933
Cash Receipts by Source	34,242	12,661	12,258	12,047	25,961	10,756	11,452	10,955	29,172	11,362	11,762	19,856	202,482	217,342	235,045
Other Cash Flows by Source															
Transfer receipts - capital	4,203	4,203	4,203	4,203	4,203	4,203	4,203	4,203	4,203	4,203	4,203	4,203	50,430	41,602	43,979
Contributions recognised - capital & Contributed	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds on disposal of PPE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Short term loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	15,000	10,000	-
Increase (decrease) in consumer deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (Increase) in non-current debtors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) other non-current receiv able	20	20	20	20	20	20	20	20	20	20	20	20	240	245	250
Decrease (increase) in non-current investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Receipts by Source	39,715	18,133	17,730	17,519	31,434	16,228	16,924	16,427	34,645	16,834	17,234	25,328	268,152	269,189	279,274
Cash Payments by Type															
Employee related costs	6,025	5,967	6,065	6,043	6,069	6,019	6,085	6,039	5,967	5,988	5,931	6,051	72,247	73,696	78,060
Remuneration of councillors	458	458	458	458	458	458	458	458	458	458	458	458	5,491	5,821	6,170
Finance charges	-	-	644	-	-	927	-	-	927	-	-	-	3,426	4,246	4,305
Bulk purchases - Electricity	5,000	4,667	4,667	4,400	4,400	4,400	4,400	4,400	4,667	5,000	5,000	5,000	56,000	64,000	73,000
Bulk purchases - Water & Sewer	530	530	530	560	550	560	560	550	542	530	530	528	6,500	7,000	7,500
Other materials	580	585	580	580	633	580	580	580	580	580	580	2,020	8,456	9,810	10,578
Contracted services	625	625	625	625	625	625	625	625	625	625	625	625	7,500	7,700	7,900
Transfers and grants - other municipalities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and grants - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other expenditure	3,210	3,246	3,229	3,164	3,119	3,122	3,123	3,163	3,165	3,164	3,162	6,214	41,082	38,155	40,321
Cash Payments by Type	16,427	16,076	16,797	15,830	15,854	16,690	15,831	15,815	16,930	16,344	16,285	21,823	200,702	210,427	227,833
Other Cash Flows/Payments by Type															
Capital assets	4,203	4,203	4,203	4,203	4,203	4,203	4,203	4,203	4,203	4,203	4,203	19,203	65,430	51,602	44,009
Repayment of borrowing	-	-	138	-	-	245	-	-	245	-	-	245	872	1,113	1,039
Other Cash Flows/Payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Payments by Type	20,629	20,279	21,137	20,032	20,057	21,137	20,034	20,017	21,377	20,547	20,488	41,271	267,004	263,142	272,881
NET INCREASE/(DECREASE) IN CASH HELD	19,085	(2,145)	(3,407)	(2,513)	11,377	(4,909)	(3,109)	(3,590)	13,267	(3,712)	(3,254)	(15,943)	1,148	6,047	6,393
Cash/cash equivalents at the month/year begin:	27,500	46,585	44,440	41,033	38,520	49,897	44,988	41,879	38,289	51,556	47,844	44,591	27,500	28,648	34,695
Cash/cash equivalents at the month/year end:	46,585	44,440	41,033	38,520	49,897	44,988	41,879	38,289	51,556	47,844	44,591	28,648	28,648	34,695	41,088

Table 52 MBRR Table SA 34a - Capital expenditure on new assets by asset class

Description	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Capital expenditure on new assets by Asset Class/Sub-class									
Infrastructure	32,843	23,525	5,038	5,884	12,795	12,795	12,381	-	-
Infrastructure - Road transport	14,238	13,964	-	5,289	11,402	11,402	-	-	-
Roads, Pavements & Bridges	14,238	13,964	-	5,289	11,402	11,402	-	-	-
Storm water	-	-	-	-	-	-	-	-	-
Infrastructure - Electricity	4,241	280	1,323	595	1,393	1,393	5,381	-	-
Generation	-	-	-	-	-	-	-	-	-
Transmission & Reticulation	4,241	280	1,323	595	1,393	1,393	-	-	-
Street Lighting	-	-	-	-	-	-	5,381	-	-
Infrastructure - Water	3,915	2,644	53	-	-	-	-	-	-
Dams & Reservoirs	-	-	-	-	-	-	-	-	-
Water purification	-	-	-	-	-	-	-	-	-
Reticulation	3,915	2,644	53	-	-	-	-	-	-
Infrastructure - Sanitation	10,448	6,388	3,662	-	-	-	7,000	-	-
Reticulation	-	-	3,662	-	-	-	-	-	-
Sewerage purification	10,448	6,388	-	-	-	-	7,000	-	-
Infrastructure - Other	-	249	-	-	-	-	-	-	-
Waste Management	-	-	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-	-	-
Gas	-	-	-	-	-	-	-	-	-
Other	-	249	-	-	-	-	-	-	-
Community	968	449	305	2,680	2,850	2,850	-	2,499	2,499
Parks & gardens	-	-	-	-	-	-	-	2,499	2,499
Sportsfields & stadia	-	-	9	-	-	-	-	-	-
Swimming pools	-	-	-	-	-	-	-	-	-
Community halls	-	449	296	2,680	2,850	2,850	-	-	-
Libraries	-	-	-	-	-	-	-	-	-
Recreational facilities	145	-	-	-	-	-	-	-	-
Fire, safety & emergency	87	-	-	-	-	-	-	-	-
Security and policing	-	-	-	-	-	-	-	-	-
Buses	-	-	-	-	-	-	-	-	-
Clinics	-	-	-	-	-	-	-	-	-
Museums & Art Galleries	-	-	-	-	-	-	-	-	-
Cemeteries	-	-	-	-	-	-	-	-	-
Social rental housing	-	-	-	-	-	-	-	-	-
Other	736	-	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-
Housing development	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Other assets	368	1,281	3,278	67	82	82	14	-	-
General vehicles	160	557	581	-	-	-	-	-	-
Specialised vehicles	-	-	-	-	-	-	-	-	-
Plant & equipment	66	505	549	-	-	-	-	-	-
Computers - hardware/equipment	90	-	1,565	20	20	20	10	-	-
Furniture and other office equipment	51	219	534	47	47	47	4	-	-
Abattoirs	-	-	-	-	-	-	-	-	-
Markets	-	-	-	-	-	-	-	-	-
Civic Land and Buildings	-	-	49	-	-	-	-	-	-
Other Buildings	-	-	-	-	15	15	-	-	-
Other Land	-	-	-	-	-	-	-	-	-
Surplus Assets - (Investment or Inventory)	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Intangibles	-	308	-	-	-	-	-	-	-
Computers - software & programming	-	308	-	-	-	-	-	-	-
Other (list sub-class)	-	-	-	-	-	-	-	-	-
Total Capital Expenditure on new assets	34,179	25,563	8,621	8,631	15,727	15,727	12,395	2,499	2,499

Table 53 MBRR Table SA 34b - Capital expenditure on the renewal of existing assets by asset class

Description R thousand	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Capital expenditure on renewal of existing assets by Asset Class/Sub-class									
Infrastructure	-	-	16,797	24,684	22,845	22,845	48,363	44,155	33,562
Infrastructure - Road transport	-	-	7,961	-	-	-	13,332	20,724	16,199
Roads, Pavements & Bridges	-	-	7,961	-	-	-	13,332	20,724	16,199
Storm water	-	-	-	-	-	-	-	-	-
Infrastructure - Electricity	-	-	688	-	-	-	23,000	10,000	-
Generation	-	-	-	-	-	-	-	-	-
Transmission & Reticulation	-	-	688	-	-	-	15,000	10,000	-
Street Lighting	-	-	-	-	-	-	8,000	-	-
Infrastructure - Water	-	-	1,369	7,274	11,336	11,336	1,000	-	-
Dams & Reservoirs	-	-	-	7,274	11,336	11,336	-	-	-
Water purification	-	-	-	-	-	-	-	-	-
Reticulation	-	-	1,369	-	-	-	1,000	-	-
Infrastructure - Sanitation	-	-	6,780	17,410	11,509	11,509	11,031	13,431	17,363
Reticulation	-	-	446	-	-	-	-	2,400	-
Sewerage purification	-	-	6,334	17,410	11,509	11,509	11,031	11,031	17,363
Infrastructure - Other	-	-	-	-	-	-	-	-	-
Waste Management	-	-	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-	-	-
Gas	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Community	-	-	100	-	3,000	3,000	4,672	4,948	7,948
Parks & gardens	-	-	-	-	-	-	4,672	4,948	7,948
Sportsfields & stadia	-	-	-	-	3,000	3,000	-	-	-
Swimming pools	-	-	-	-	-	-	-	-	-
Community halls	-	-	-	-	-	-	-	-	-
Libraries	-	-	-	-	-	-	-	-	-
Recreational facilities	-	-	-	-	-	-	-	-	-
Fire, safety & emergency	-	-	-	-	-	-	-	-	-
Security and policing	-	-	-	-	-	-	-	-	-
Buses	-	-	-	-	-	-	-	-	-
Clinics	-	-	-	-	-	-	-	-	-
Museums & Art Galleries	-	-	-	-	-	-	-	-	-
Cemeteries	-	-	100	-	-	-	-	-	-
Social rental housing	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total Capital Expenditure on renewal of existing	-	-	16,897	24,684	25,845	25,845	53,035	49,103	41,510
Specialised vehicles	-	-	-	-	-	-	-	-	-
Refuse	-	-	-	-	-	-	-	-	-
Fire	-	-	-	-	-	-	-	-	-
Conservancy	-	-	-	-	-	-	-	-	-
Ambulances	-	-	-	-	-	-	-	-	-
Renewal of Existing Assets as % of total capex	0.0%	0.0%	66.2%	74.1%	62.2%	62.2%	81.1%	95.2%	94.3%
Renewal of Existing Assets as % of deprecn"	0.0%	0.0%	52.5%	69.0%	72.3%	72.3%	141.4%	124.5%	105.8%

Table 54 MBRR Table SA34c - Repair and maintenance expenditure by asset class

Description	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Repairs and maintenance expenditure by Asset Class/Sub-class									
Infrastructure	2,090	4,986	4,785	5,733	5,953	5,953	18,977	21,950	23,715
Infrastructure - Road transport	441	997	1,363	1,500	1,740	1,740	5,155	6,078	6,341
<i>Roads, Pavements & Bridges</i>	441	997	1,363	1,500	1,740	1,740	5,155	6,078	6,341
<i>Storm water</i>	-	-	-	-	-	-	-	-	-
Infrastructure - Electricity	892	1,480	1,145	1,234	1,214	1,214	4,714	5,425	6,155
<i>Generation</i>	-	-	-	-	-	-	-	-	-
<i>Transmission & Reticulation</i>	843	1,407	1,128	1,166	1,166	1,166	4,689	5,375	6,100
<i>Street Lighting</i>	50	73	17	68	48	48	25	50	55
Infrastructure - Water	615	2,240	1,939	2,500	2,500	2,500	6,378	7,449	8,045
<i>Dams & Reservoirs</i>	49	-	404	200	200	200	300	320	350
<i>Water purification</i>	-	-	-	-	-	-	-	-	-
<i>Reticulation</i>	566	2,240	1,535	2,300	2,300	2,300	6,078	7,129	7,695
Infrastructure - Sanitation	141	269	338	499	499	499	2,730	2,998	3,175
<i>Reticulation</i>	-	-	-	-	-	-	-	-	-
<i>Sewerage purification</i>	141	269	338	499	499	499	2,730	2,998	3,175
Infrastructure - Other	-	-	-	-	-	-	-	-	-
<i>Waste Management</i>	-	-	-	-	-	-	-	-	-
<i>Transportation</i>	-	-	-	-	-	-	-	-	-
<i>Gas</i>	-	-	-	-	-	-	-	-	-
<i>Other</i>	-	-	-	-	-	-	-	-	-
Community	204	140	211	283	273	273	297	320	341
Parks & gardens	-	-	-	-	-	-	-	-	-
Sportsfields & stadia	204	126	211	236	236	236	250	267	283
Swimming pools	-	-	-	-	-	-	-	-	-
Community halls	-	-	-	-	-	-	-	-	-
Libraries	-	-	-	-	-	-	-	-	-
Recreational facilities	-	-	-	-	-	-	-	-	-
Fire, safety & emergency	-	-	-	-	-	-	-	-	-
Security and policing	-	-	-	-	-	-	-	-	-
Buses	-	-	-	-	-	-	-	-	-
Clinics	-	-	-	-	-	-	-	-	-
Museums & Art Galleries	-	-	-	-	-	-	-	-	-
Cemeteries	-	-	-	-	-	-	-	-	-
Social rental housing	-	-	-	-	-	-	-	-	-
Other	-	14	-	47	37	37	47	53	58
Other assets	1,306	1,404	14,444	2,291	2,176	2,176	2,251	2,708	2,543
General vehicles	-	-	-	-	-	-	-	-	-
Specialised vehicles	-	-	-	-	-	-	-	-	-
Plant & equipment	725	483	479	729	725	725	800	869	938
Computers - hardware/equipment	-	-	-	-	-	-	-	-	-
Furniture and other office equipment	75	189	108	260	152	152	181	226	233
Abattoirs	-	-	-	-	-	-	-	-	-
Markets	-	-	-	-	-	-	-	-	-
Civic Land and Buildings	353	218	332	387	367	367	369	657	364
Other Buildings	-	-	-	-	-	-	-	-	-
Other Land	-	403	13,423	615	727	727	650	696	738
Surplus Assets - (Investment or Inventory)	-	-	-	-	-	-	-	-	-
Other	154	111	103	300	205	205	250	260	270
Total Repairs and Maintenance Expenditure	3,600	6,529	19,439	8,306	8,401	8,401	22,965	24,978	26,600
R&M as a % of PPE	1.6%	2.8%	2.3%	1.1%	1.0%	1.0%	2.6%	3.0%	3.0%
R&M as % Operating Expenditure	3.2%	4.3%	10.0%	3.9%	4.0%	4.0%	9.0%	9.8%	9.8%

Table 55 MBRR Table SA 34d – Depreciation by asset class

Description	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand									
Depreciation by Asset Class/Sub-class									
Infrastructure	5,276	6,536	22,721	26,540	26,540	26,540	27,862	29,764	29,400
Infrastructure - Road transport	227	1,044	11,704	13,440	13,440	13,440	14,246	15,101	15,000
<i>Roads, Pavements & Bridges</i>	227	1,044	11,704	13,440	13,440	13,440	14,246	15,101	15,000
<i>Storm water</i>	-	-	-	-	-	-	-	-	-
Infrastructure - Electricity	1,783	2,030	6,372	4,500	4,500	4,500	4,500	5,000	5,000
<i>Generation</i>	-	-	-	-	-	-	-	-	-
<i>Transmission & Reticulation</i>	1,783	2,030	6,372	4,500	4,500	4,500	4,500	5,000	5,000
<i>Street Lighting</i>	-	-	-	-	-	-	-	-	-
Infrastructure - Water	1,987	2,164	3,041	6,100	6,100	6,100	6,466	6,854	6,500
<i>Dams & Reservoirs</i>	-	-	-	-	-	-	-	-	-
<i>Water purification</i>	-	-	-	-	-	-	-	-	-
<i>Reticulation</i>	1,987	2,164	3,041	6,100	6,100	6,100	6,466	6,854	6,500
Infrastructure - Sanitation	1,058	1,070	1,605	2,500	2,500	2,500	2,650	2,809	2,900
<i>Reticulation</i>	-	-	-	-	-	-	-	-	-
<i>Sewerage purification</i>	1,058	1,070	1,605	2,500	2,500	2,500	2,650	2,809	2,900
Infrastructure - Other	222	229	-	-	-	-	-	-	-
<i>Waste Management</i>	97	97	-	-	-	-	-	-	-
<i>Transportation</i>	-	-	-	-	-	-	-	-	-
<i>Gas</i>	-	-	-	-	-	-	-	-	-
<i>Other</i>	124	131	-	-	-	-	-	-	-
Community	1,134	1,627	7,326	4,689	4,689	4,689	4,970	5,288	5,605
Parks & gardens	-	-	-	-	-	-	-	-	-
Sportsfields & stadia	-	-	-	-	-	-	-	-	-
Swimming pools	-	-	-	-	-	-	-	-	-
Community halls	1,085	1,357	6,432	3,589	3,589	3,589	3,804	4,047	4,290
Libraries	-	-	-	-	-	-	-	-	-
Recreational facilities	28	249	894	1,100	1,100	1,100	1,166	1,241	1,315
Fire, safety & emergency	-	-	-	-	-	-	-	-	-
Security and policing	-	-	-	-	-	-	-	-	-
Buses	-	-	-	-	-	-	-	-	-
Clinics	-	-	-	-	-	-	-	-	-
Museums & Art Galleries	-	-	-	-	-	-	-	-	-
Cemeteries	21	21	-	-	-	-	-	-	-
Social rental housing	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Other assets	2,637	1,133	2,153	4,522	4,522	4,522	4,687	4,391	4,214
General vehicles	815	376	1,767	1,000	1,000	1,000	1,277	1,294	1,311
Specialised vehicles	-	-	-	-	-	-	-	-	-
Plant & equipment	397	122	-	379	379	379	308	315	322
Computers - hardware/equipment	-	-	-	-	-	-	-	-	-
Furniture and other office equipment	968	323	385	389	389	389	311	318	325
Abattoirs	-	-	-	-	-	-	-	-	-
Markets	-	-	-	-	-	-	-	-	-
Civic Land and Buildings	-	-	-	-	-	-	-	-	-
Other Buildings	-	-	-	-	-	-	-	-	-
Other Land	-	-	-	-	-	-	-	-	-
Surplus Assets - (Investment or Inventory)	-	-	-	-	-	-	-	-	-
Other	458	313	-	2,754	2,754	2,754	2,791	2,464	2,256
Intangibles	-	52	-	-	-	-	-	-	-
Computers - software & programming	-	52	-	-	-	-	-	-	-
Other (<i>list sub-class</i>)	-	-	-	-	-	-	-	-	-
Total Depreciation	9,047	9,349	32,200	35,750	35,750	35,750	37,520	39,443	39,219

Table 56 MBRR Table SA 35 - Future financial implications of the Capital budget

Vote Description R thousand	2012/13 Medium Term Revenue & Expenditure Framework			Forecasts			
	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15	Forecast 2015/16	Forecast 2016/17	Forecast 2017/18	Present value
Capital expenditure							
Vote 1 - Executive and Council	-	-	-				
Vote 2 - Financial Services	-	-	-				
Vote 3 - Corporate Services	-	-	-				
Vote 4 - Social and Community Services	4,672	7,447	10,447				
Vote 5 - Technical Services	60,758	44,155	33,562				
Vote 6 - Planning and Development	-	-	-				
Example 7 - Vote7	-	-	-				
Example 8 - Vote8	-	-	-				
Example 9 - Vote9	-	-	-				
Example 10 - Vote10	-	-	-				
Example 11 - Vote11	-	-	-				
Example 12 - Vote12	-	-	-				
Example 13 - Vote13	-	-	-				
Example 14 - Vote14	-	-	-				
Example 15 - Vote15	-	-	-				
<i>List entity summary if applicable</i>							
Total Capital Expenditure	65,430	51,602	44,009	-	-	-	-
Future operational costs by vote							
Vote 1 - Executive and Council	20,174	21,900	22,580				
Vote 2 - Financial Services	13,509	12,838	13,374				
Vote 3 - Corporate Services	14,109	15,891	17,333				
Vote 4 - Social and Community Services	37,647	38,154	40,159				
Vote 5 - Technical Services	169,179	169,370	180,912				
Vote 6 - Planning and Development	7,614	7,675	8,254				
Example 7 - Vote7							
Example 8 - Vote8							
Example 9 - Vote9							
Example 10 - Vote10							
Example 11 - Vote11							
Example 12 - Vote12							
Example 13 - Vote13							
Example 14 - Vote14							
Example 15 - Vote15							
<i>List entity summary if applicable</i>							
Total future operational costs	262,231	265,829	282,613	-	-	-	-
Future revenue by source							
Property rates	18,837	20,040	21,466				
Property rates - penalties & collection charges	-	-	-				
Service charges - electricity revenue	63,000	70,712	78,600				
Service charges - water revenue	28,500	30,200	32,000				
Service charges - sanitation revenue	7,600	8,052	8,650				
Service charges - refuse revenue	5,117	5,578	6,084				
Service charges - other							
Rental of facilities and equipment							
<i>List other revenues sources if applicable</i>							
<i>List entity summary if applicable</i>							
Total future revenue	123,053	134,582	146,801	-	-	-	-
Net Financial Implications	204,608	182,849	179,821	-	-	-	-

Table 57 MBRR Table SA 36 - Detailed capital budget

Table of MTR Table 6A-6 Detailed Capital Budget																
Municipal Vote/Capital project	Program/Project description	Project number	IDP Goal code	Approved (Yes/No)	Asset Class	Asset Sub-Class	GPS co-ordinates	Total Project Estimate	Prior year outcomes		2012/13 Medium Term Revenue & Expenditure Framework			Project information		
R thousand			2	6	3	3	5		Audited Outcome 2010/11	Current Year 2011/12 Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15	Ward location	New or renewal	
Parent municipality:																
List all capital projects grouped by Municipal Vote																
205 - Cemetery	Fencing of Mabalane cemetery	ENV11	A		Community	Parks & gardens		1,200			1,200			Ward 2	Renew	
	Fencing of Modimolle current cemetery	ENV12	A		Community	Parks & gardens		350			350			Ward 8	Renew	
	Fencing of old Modimolle cemetery		A		Community	Parks & gardens		350			350			Ward 8	Renew	
	Extension of modimolle cemetery phase 2	ENV13	A		Community	Parks & gardens		2,736			-	-	2,736	Ward 8	Renew	
231 - Municipal Buildings	Mabalane market stalls	LED09	E		Community	Buildings				1,000				Ward 2	New	
	Modimolle market stalls	LED08	E		Community	Buildings				1,850				Ward 2	New	
	Mabaleng taxi rank	PAK20	E		Community	Buildings		4,998			-	2,499	2,499	Ward 2	New	
240 - Parks and Recreation	Development of Mabaleng Park	PAK12	A		Community	Parks & gardens		912		1,000	-	-	912	Ward 2	New	
	Development of Mabalane Park	-	A		Community	Parks & gardens				1,000				Ward 2	New	
	Development of Phagameng Park	PAK19	A		Community	Parks & gardens				1,000				Ward 2	New	
	Development of Modimolle park (Hagen,Boshof,Chris Hani)	PAK18	A		Community	Parks & gardens		2,280			2,280	-	-	Ward 8	Renew	
	Fencing Leseding old community hall	PAK21	A		Community	Community halls		492			492	-	-	Ward 3	Renew	
	Development of pahagameng park (railway)	PAK14	A		Community	Parks & gardens		2,736			-	2,736	-	Ward 7 & 6	Renew	
	Development of Modimolle sports facilities	PAK17	A		Community	Sportsfields & stadia		1,300			-	1,300	-	Ward 6	Renew	
	Development of Leseding park	PAK13	A		Community	Parks & gardens		912			-	912	-	Ward 3	Renew	
	Development of Mabalane new cemetery	ENV05	A		Community	Parks & gardens		1,300			-	-	1,300	Ward 4	Renew	
	Development of phagameng ext 7 & 6 sports	PAK22	A		Community	Sportsfields & stadia		3,000			-	-	-	3,000	Ward 7	Renew
256 - Budget and Treasury	Safe at Mabaleng office	FIN01			Other Assets	Furniture and other office equipment					10				New	
262 - Public Works	Joe Slovo Bridge	ROA21	E		Infrastructure - Road transport	Roads, Pavements & Bridges				4,531					Renew	
	Leseding Taxi Rank	ROA03	E		Community	Buildings				121					New	
	Meininger Street	ROA04	E		Infrastructure - Road transport	Roads, Pavements & Bridges				800					Renew	
	Limpopo Street upgrading of Low Level	ROA20	E		Infrastructure - Road transport	Roads, Pavements & Bridges				5,000					Renew	
	Resealing of Nelson Mandela street		E		Infrastructure - Road transport	Roads, Pavements & Bridges				950					Renew	
	Phagameng street phase 4(phelindaba, Thulare)	ROA13	E		Infrastructure - Road transport	Roads, Pavements & Bridges		9,405			3,019	3,193	3,193	Ward 6 & 7	Renew	
	Modimolle paving of street(Allen, Meigner)	ROA15	E		Infrastructure - Road transport	Roads, Pavements & Bridges		3,564			1,713	1,851	-	Ward 8	Renew	
	Paving of freedom park ring road	ROA14	E		Infrastructure - Road transport	Roads, Pavements & Bridges		4,275			2,800	1,475	-	Ward 9	Renew	
	Mabalane ext 14 paving ring road	ROA23	E		Infrastructure - Road transport	Roads, Pavements & Bridges		6,956			2,800	2,305	1,851	Ward 1	Renew	
	Road intersection of Joe Slovo and Limpopo street	ROA26	E		Infrastructure - Road transport	Roads, Pavements & Bridges		3,000			3,000			Ward 8	Renew	
	Re-building of phagameng storm water channel	ROA22	E		Infrastructure - Road transport	Roads, Pavements & Bridges		4,000			-	2,000	2,000	Ward 7	Renew	
	Rehabilitation of Lillian Ngoyi and low level culvert bridge	ROA11	E		Infrastructure - Road transport	Roads, Pavements & Bridges		8,000				8,000		Ward 8	Renew	
	Mabaleng paving of street	ROA16	E		Infrastructure - Road transport	Roads, Pavements & Bridges		4,205			-	1,900	2,305	Ward 2	Renew	
	Mabalane side walk to Letshogolla street	ROA21	E		Infrastructure - Road transport	Roads, Pavements & Bridges		2,850			-	-	2,850	Ward 1 & 3	Renew	
	Barney Molokoane low level culvert	ROA19	E		Infrastructure - Road transport	Roads, Pavements & Bridges		4,000			-	-	4,000	Ward 8	Renew	

267 - Project management unit	Computers	PMU02	E		Other Assets	Computers - hardware/equipment	10		20	10				New	
	Furniture	PMU01	E		Other Assets	Furniture and other office equipment	4		37	4				New	
270 - Sewer	Mabatlane Sewer Reticulation	WAT05	E		Infrastructure - Sanitation	Reticulation			4,826					Renew	
	Modimolle Waste Water Treatment Works	WAT08	E		Infrastructure - Sanitation	Reticulation			627					Renew	
	Mabaleng Waste Water Treatment Works (Package Plant)	WAT09	E		Infrastructure - Sanitation	Sewerage purification	6,000		3,000	3,000			Ward 2	New	
	Mabatlane Waste Water Treatment Works (Package Plant)	WAT10	E		Infrastructure - Sanitation	Sewerage purification	7,056		3,056	4,000			Ward 1	New	
	Modimolle Waste Water Treatment Works phase 2	WAT05	E		Infrastructure - Sanitation	Reticulation	39,395		-	11,031	11,031	17,363	Ward 8	Renew	
	Mabalane Industrial sewer reticulation	WAT06	E		Infrastructure - Sanitation	Reticulation	2,400			-	2,400	-	Ward 1	Renew	
276 - Electrotechnical	Phagameng Ext 9 Streetlight	ELE11	E		Infrastructure - Electricity	Street Lighting	298		298	298			Ward 5	New	
	Phagameng Ext 11 Streetlight	ELE07	E		Infrastructure - Electricity	Street Lighting			298					New	
	Vaalwater highmast lights		E		Infrastructure - Electricity	Street Lighting			399					New	
	Alma/Mabaleng highmast lights		E		Infrastructure - Electricity	Street Lighting			399					New	
	Airconditioners	ELEC24	E		Other Assets	Furniture and other office equipment			15					New	
	Mabalane ext 4 street lights				Infrastructure - Electricity	Street Lighting	595			595	-	-	Ward 1	New	
	Phagameng ext 10 street lights	ELEC20	E		Infrastructure - Electricity	Street Lighting	595			595	-	-	Ward 5	New	
	Phagameng ext 7 street lights(Mandela)	ELEC06	E		Infrastructure - Electricity	Street Lighting	595			595	-	-	Ward 7	New	
	Modimolle street lights	ELEC22	E		Infrastructure - Electricity	Street Lighting	298			298	-	-	Ward 8	New	
	Electrification of phagameng ext 10		E		Infrastructure - Electricity	Street Lighting	3,000			3,000	-	-	Ward 5	New	
	Energy efficiency & demand side manager		E		Infrastructure - Electricity	Street Lighting	8,000			8,000	-	-	All wards	Renew	
	Upgrade of Internal Reticulation		E		Infrastructure - Electricity	Transmission & Reticulation	25,000			15,000	10,000			Renew	
	280 - Water	Donkerpoort Water Works Upgrade Phase	WAT11	E		Infrastructure - Water	Water purification			11,097					Renew
Water provision for ext 11			E		Infrastructure - Water	Reticulation			240					Renew	
Phagameng ext 11 water reticulation			E		Infrastructure - Water	Reticulation	1,000			1,000	-	-	Ward 5	Renew	
Parent Capital expenditure										65,430	51,602	44,009			

Part 3 – SUPPORTING DOCUMENTS

1. OVERVIEW OF THE ANNUAL BUDGET PROCESS

In undertaking its annual budget process, ModimolleLocalMunicipality was guided by the following key legislation and documents:

- Municipal Finance Management Act;
- Municipal Systems Act;
- The National Spatial Development Framework; and
- The Limpopo Provincial Government and Development Strategy.
- National Treasury Circular 54.

The municipality is always conscious of the fact the IDP, Budget and other consultative processes have to be undertaken with credibility and honesty in order to ensure good governance and accountability. The municipality engaged its various stakeholders in preparing this 2012/13 MTREF budget, including the communities in all the eight (8) wards, the local Chamber of Commerce and national and provincial government departments. These stakeholders are diverse and included local SMMEs, formal businesses, street vendors, agricultural and mining communities as well as ordinary members of our communities.

ModimolleLocalMunicipality engaged in the IDP and Budget processes as one process. The objective was to strengthen the synergy between the IDP and the Budget to ensure that they are consistent and linked. This new process had some hiccups but these will be addressed as more experience is gained in this initiative. From these community participation and consultation processes, the municipality identified and prioritised the needs of the communities. As is almost always the case in any budget process, some priorities were identified that could not be funded in the 2012/13 financial year. These priorities and their related programmes/ projects were then included in the medium term IDP for funding consideration once additional funding becomes available, currently or in the future years.

In all these public consultation and participation process, including internal prioritisation and negotiation processes, the Mayor played an active oversight role over the IDP and Budget as required by Section 53(1) (a) of the MFMA, which states that the Mayor of a municipality must provide general political guidance over the budget process and the priorities that must guide the preparation of the budget. Under the guidance of the Mayor, engagements were also held over a number of days with the Councillors in the budget and prioritisation processes. The table below is an extract of the key deadlines relating to the Budget and IDP processes as required by Section 21(1) (b) of the Municipal Finance Management Act, 2003.

Table 58 - Summary of key deadlines in the budget and IDP process

Processes and activities	Responsibility	Date
Table and approval of 2011/12 adjustment budget to Council	Mayor	08 Feb 2012
Tabling of 2012/13 budget	Mayor, Council	28 Mrt 2012
Submission of tabled budget to National and Provincial Treasuries	MM	6 April 2012
Public hearings on budget, IDP and budget policies	Mayor	1 April – 31 April 2012
Approval of 2012/13 IDP, budget and budget policies	Council	30 April 2011
Submission of draft SDBIP and draft performance agreements of Snr Managers to Mayor	MM	14 April 2012
Approval of SDBIP and performance agreements of Snr Managers	Mayor	28 June 2012
Submission of approved budget, IDP, SDBIP and performance agreements to National and Provincial Treasuries and other interested parties	MM	14 June 2012

2. OVERVIEW OF ALIGNMENT OF BUDGET WITH INTEGRATED DEVELOPMENT PLAN

In reviewing the IDP and preparing the 2012/13 MTREF, public consultations were conducted with various stakeholders in order to identify their needs and priorities. As mentioned in the preceding section, the municipality collated the information and prioritized the needs. When determining the available funding against the needs and projects, due consideration was given to the operating expenditure implications for the capital projects over the lifespan of the projects.

3. MEASURABLE PERFORMANCE OBJECTIVES AND INDICATORS

The measurable performance indicators and objectives for revenue and expenditure (both capital and operating) are contained in the Service Delivery and Budget Implementation Plan (SDBIP) of the municipality and the Section 57 (Municipal Systems Act) managers. The SDBIP has been designed such that it gives effect to the implementation of the budget, with quarterly performance targets. The SDBIP will be submitted to the Mayor immediately after the budget has been approved. The timeframes as contained in Section 53(1) (c) of the MFMA will be complied with.

The key financial indicators and ratios are contained in Supporting Table 8.

4. DRINKING WATER QUALITY AND WASTE WATER MANAGEMENT

4.1 Water Service Authority and Water Service Provider

Modimolle local Municipality is the Water Service Authority in conjunction with Magalies Water as the Water Service Provider. Modimolle Municipality manages the water and waste water schemes. Magalies water only provides bulk water services to Modimolle.

4.2 Blue and Green Drop Rating

The Blue Drop rating for Donkerpoort scheme is standing at 95.01% for the financial year 2011/12 and another assessment was done on the 1st March 2012. Areas that need more attention are the classification of our process controller skills and qualifications, water quality analysis and ageing infrastructure.

The Green Drop rating is currently at 39% and we are awaiting the assessment result that was done in 1st March 2012. Areas that need attention includes the following process controller skills and qualifications, ageing infrastructure and shortage of skilled artisans (fitter and turner)

4.3 Water Safety Plan

The water safety plan is being reviewed annually and items that need attention are being included in the budget.

4.4 Challenges with regards to management of drinking water and waste water Ageing infrastructure

Skills and qualifications of our process.
Water quality analysis instruments.
Budget constraints.

5. OVERVIEW OF BUDGET RELATED POLICIES

The municipality has come to the realisation that for the budget to be credible and balanced, it must be supported by policies that guide the revenue and expenditure estimates. ModimolleLocalMunicipality aims to deliver services that are affordable to its communities. To ensure this, the budget related policies have been reviewed, and other policies are in the process of review, to take the socio-economic realities of the communities into account. This reality, however, is balanced with the realisation that the municipality must be financially sustainable.

6. OVERVIEW OF BUDGET ASSUMPTIONS

In MFMA Circular 54, the National Treasury has cautioned municipalities to prepare budgets within the context of the economic crises that are felt everywhere in the globe. Some of the economic crises that will impact on the budget are slow growth in the local economy of the municipality, shrinking employment and declining income levels. These factors, in turn, will impact on the demand for and affordability of municipal services. The budget has to be responsive to the needs of the community but also structured in such a manner that it facilitates local economic development and job creation. Three factors are very important in this regard, namely;

- The municipality must collect all revenue due from those households and members of the community who can afford to pay for the municipal services they receive but refuse, or ignore, to do so;
- The municipality must exercise financial discipline avoid unnecessary, nice-to-have expenditure; and
- The municipality must effectively utilise its assets, making the assets to sweat as reflected by the ratio of operating income to assets, particularly the income generating assets. This has been balanced with increased budget on repairs and maintenance to ensure that the infrastructure assets are maintained at higher levels.

This budget has been prepared based on the following assumptions:

Table 59 - Budget assumptions

Financial year	2010/11 Actual	2011/12 Estimate	2012/13	2013/14	2014/15
Headline CPI inflation	3.8%	5.7%	5.9%	5.3%	4.9%
Revenue collection rate			90%	92%	95%
Salaries (LGBA)	%	6.08%	8%	6%	6%

In its MFMA Circular 58, National Treasury continues to encourage municipalities to keep increases in rates, tariffs and other charges as low as practically possible. Given that NERSA has released its guideline on municipal electricity price increases for 2012/13 of 13% and that Magalies Water indicated an increase to its bulk water tariffs by 8%, it is inconceivable for Modimolle Local Municipality, and other municipalities, to increase their tariffs within the National Treasury guidelines of 6%. However, this budget has made provision to assist and support indigent households to cushion against the impact of the high increases in the tariffs.

7. OVERVIEW OF BUDGET FUNDING

Section 18(1) of the MFMA requires the budget of a municipality to be funded from-

- Realistically anticipated revenues to be collected;
- Cash-backed accumulated funds from previous years' surpluses not committed for other purposes; and
- Borrowed funds, but only for the capital budget referred to in Section (17) (2) of the MFMA.

This budget has been prepared taking into cognizance the requirements of the abovementioned section. Revenue was estimated using a collection rate of 90% to billings. This has resulted in moderate increase in the operating budget. The capital budget is funded out of grants received from National Treasury and own income. An adjusted budget will be compiled for Council consideration once more funding becomes available from either internal and/ or external sources. The 2012 Division of Revenue Bill allocations to Modimolle Local Municipality are as follows for 2012/13 – 2014/15.

Table 60 - Grant allocations over the MTREF

Grant type (R'000)	2012/13	2013/14	2014/15
Equitable share	R56 393 000	R60 536 000	R65 544 000
Finance Management Grant	R1 500 000	R1 500 000	R1 750 000
Municipal Infrastructure Grant	R41 434 000	R43 707 000	R46 204 000
Municipal Systems Improvement Grant	R 800 000	R900 000	R950 000
Extended Public Works Programme	R 912 000		
Intergrated National electrification Pro-gramm	R3 684 000		
Electricity Demand Side management	R8 000 000		

These grants are explained below:

- Equitable Share - The equitable share is an unconditional grant and is used for institutional capacity and to support the indigents;
- Local Government Financial Management Grant - This grant is a conditional grant and can only be used for capacity building and Internship Programme;
- Special Contribution towards Councilor Grant - This grant forms part of the equitable share allocations;
- Municipal Infrastructure Grant (MIG) - This is a conditional grant for municipal infrastructure;and
- Municipal System Improvement Grant (MSIG) - This is a conditional grant designed to improve systems within the municipality.

8. EXPENDITURE ON ALLOCATIONS AND GRANT PROGRAMMES

Provision was made in the 2012/13 budget for the following statutory and reserve fund contributions:

- Leave Reserve : R 900 000
- Working Capital Reserve : R 4 000 000

Contributions in total amount to R 4 900 000 and this represents 2% of total operating expenditure. The working capital reserve makes provision for nonpayment of services.

9. ALLOCATIONS AND GRANTS MADE BY THE MUNICIPALITY

The municipality does not make any grants or allocations to either individuals or organs of state.

10. COUNCILLORS ALLOWANCES AND EMPLOYEE BENEFITS

The municipality made provision for an increase of 6% to councillors and 8% to employees allowances and benefits.

❖ *See supporting table SA23 for the detail.*

11. MONTHLY TARGETS FOR REVENUE, EXPENDITURE AND CASH FLOW

Monthly targets for revenue, expenditure and cash flow are attached as per supporting table 25.

12. ANNUAL BUDGETS AND SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLANS

The service delivery and budget implementation plans will be tabled to the Mayor within 14 days of the tableing of the budget.

13. CONTRACTS HAVING FUTURE BUDGETARY IMPLICATIONS

See supporting table SA33 for the municipality contracts having future budgetary implications for more than 3 years.

14. CAPITAL EXPENDITURE DETAILS FOR 2012/13

The supporting table SA36 shows the details of capital budget for the 2012/13 financial year. As the table shows, a combination of grant funding and own income will be used to fund the capital budget.

15. LEGISLATION COMPLIANCE DETAILS

This budget has been prepared in accordance with the requirements of the Municipal Finance Management Act, the Municipal Budget and Reporting Regulations and the Municipal Systems Act.

16. BUDGET RELATED POLICIES

The budget related policies is attached as per Annexure I.

The following changes were made to the policies:

- Virement Policy:
 - Section 9.4 – changed to align with the MFMA definition of votes
- Investment Policy
 - Section 6 – included reference to Municipal Systems Act.
 - Section 11 (b) – changed excess money from R5 million to R10 million.
- Traveling Allowance Policy
 - Section 4 and 5.1 - changed “subsidy” to “allowance”
 - Section 7.5.2.2 – specified payment period
- Supply Chain Policy
 - Chapter 1 Section 5 (2) – changed to align with Supply Chain Regulations and Acts
 - Chapter 2 Section 12 (1) – changed to align with Supply Chain Regulations and Acts
 - Chapter 2 Section 29 (7) – changed to align with Supply Chain Regulations and Acts.

17. QUALITY CERTIFICATION

I, _____, Acting Municipal Manager of Modimolle Local Municipality, hereby certify that the annual budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and Regulations made under the Act, and that the annual budget and supporting documents are consistent with the Integrated Development Plan of the municipality.

Name: _____

Signature: _____

Date: _____

Part 4 – ANNEXURES

Annexure A: Tariff for Electricity

- Free Basic electricity to be provided for Indigents only in terms of Council's Indigent Policy;
- Schools, Tennis and Bowling Clubs to be levied on Municipal tariffs for electricity consumption.

Table 61: Electricity tariffs

DESCRIPTION	CURRENT	PROPOSED
RESIDENTIAL: Conventional and		
Units		
0 – 50	R0-8303	R0-66
51 – 350	R0-8600	R0-82
351 – 600	R1.04	R1.09
>600	R1.31	R1.29
Basic		R65.25 p.m
Prepaid		
Units		
0 – 50	R0-8303	R0-68
51 – 350	R0-8600	R0-86
351 – 600	R1.04	R1.09
>600	R1.31	R1.29
BUSINESS:		
- Basic	R300-00 p.m.	R338-34 p.m.
- Unit	R1-03	R1-155
BULK:		
- Basic	R320-00 p.m.	R363-00 p.m.
- Unit	R0-48	R0-543
- KVA	R108-15	R121-50
MUNICIPAL	R0-7376	R0-8187

Annexure B: Tariff for Supply of Water

- Free Basic water to be provided for Indigents only in terms of Council's Indigent Policy.
- A proposed tariff increase of 8% for Modimolle/Phagameng and 10% for Vaalwater/Alma is provided for.
- Schools, Tennis and Bowling Clubs will be levied on Municipal tariffs for metered water consumption.

Table 62: Water Tariffs

DESCRIPTION	CURRENT	PROPOSED
RESIDENTIAL:		
<u>Modimolle/Phagameng</u>		
- 0 - 20 kl per 30-day period	R8-49	R9.17
- above 20 kl per 30-day period	R11-45	R12-37
<u>Vaalwater/Alma</u>		
- 0 – 20 kl per 30-day period	R6-37	R7-00
- more than 20 kl per 30-day period	R10-19	R11-21
BUSINESS:		
Modimolle/Phagameng	R11-88	R12-83
Vaalwater/Alma	R10-75	R11-83
BULK:		
Modimolle/Phagameng	R11-03	R11-91
Kokanje Retirement Village	R9-90	R10-69
Vaalwater/Alma		
- 0 - 5 kl per 30-day period	R3-25	R3-58
- 6 -10 kl per 30-day period	R4-81	R5-29
- 11 - 30 kl per 30-day period	R6-79	R7-47
- more than 30 kl per 30-day period	R7-94	R8-73
MUNICIPAL	R7-64	R8-25

Annexure C: Tariff for Refuse Removal

- A proposed tariff increase of 8% is provided for.
- Free refuse removal is to be provided for indigent households only in terms of Council's Indigent Policy.

Table 63: Refuse Removal

DESCRIPTION	CURRENT	PROPOSED
Residential:		
Modimolle	R63-04	R68-08
Phagameng	R63-04	R68-08
Vaalwater/Alma	R63-04	R68-08
Business:		
Modimolle/Phagameng	R188-79	R203-89
Vaalwater/Alma	R188-79	R203-89
Mini Mass:		
Modimolle	R400-00	R432-00
Vaalwater/Alma	R400-00	R432-00
Bulk:	R1227-53	R1325-73

Annexure D: Tariff for Sanitation

- The sanitation tariffs are determined on the size of the stand and per toilet connection.
- A tariff increase of 6% is provided for.
- Free sanitation to be provided for indigent households only in terms of Council's Indigent Policy.

Table 64: Sanitation Tariffs

DESCRIPTION	CURRENT	PROPOSED
Modimolle/Phagameng		
Basic		
Size of stand:		
0 - 600 m ²	R25-16	R26-67
600 - 1 983 m ²	R50-56	R53-59
1 983 - 2 975 m ²	R66-97	R70-99
2 975 - 3 966 m ²	R83-82	R88-85
3 966 - 4 957 m ²	R100-45	R106-48
4 957 - 9 914 m ²	R117-19	R124-22
above 9 914 m ²	R2-81	R2-98
(every 992 m ²)		
Per toilet	R42-58	R45-13
Vaalwater/Alma		
Basic	As above	As above
Per toilet	R24-84	R26-33
Vacuum tank	R62-58	R66-33

Annexure E: Tariff for Property Rates

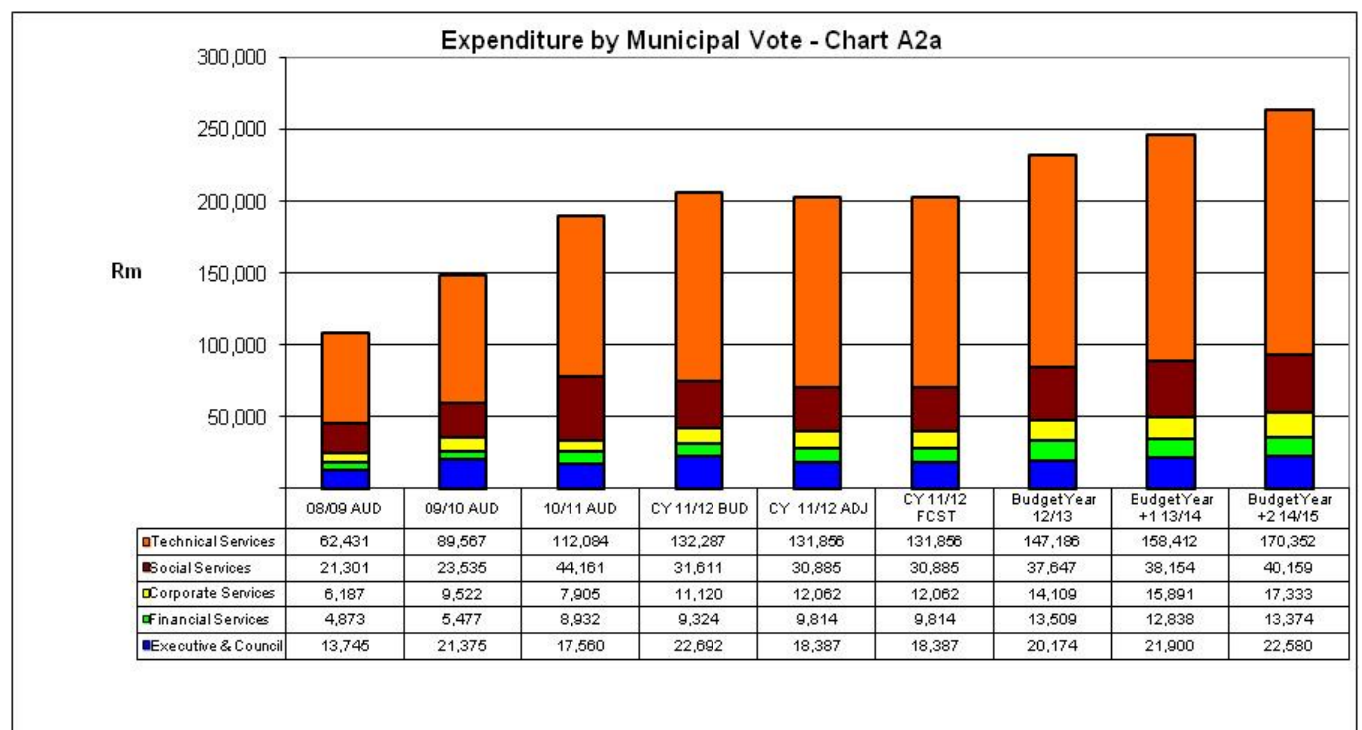
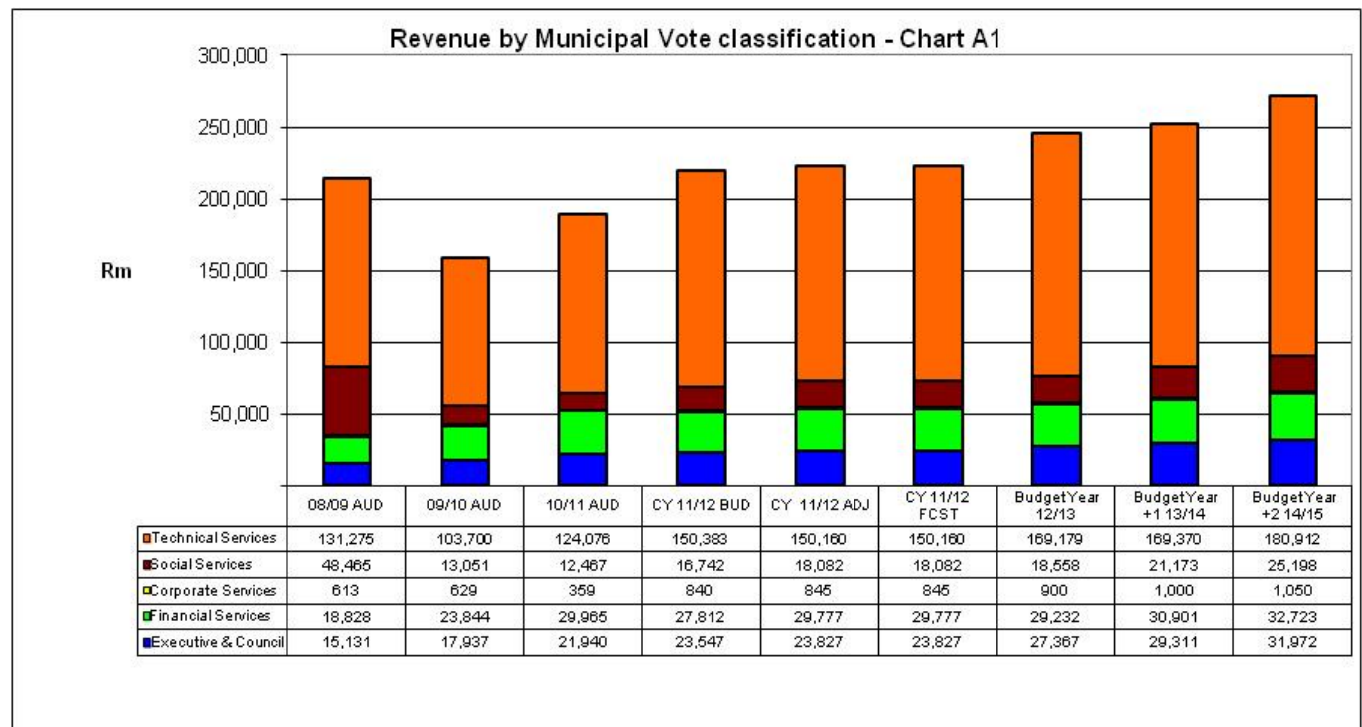
- Tariff increase as follows:
 - Residential properties: 6 %
 - Businesses and commercial properties: 6 %
- In terms of the Property Rates Policy 2009/10 as adopted by Council in 2008, the municipality may levy different Rates for different categories of Property.
- Rebates are granted as per the Property Rates Policy.

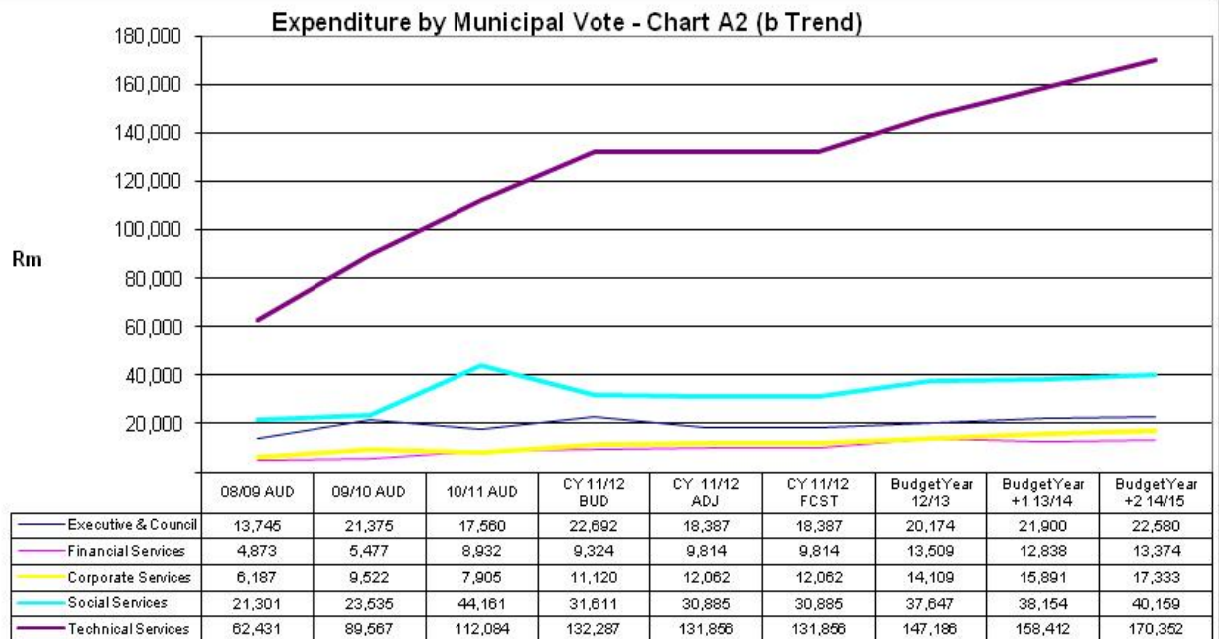
Table 5 indicates the rate for the 2012/13 financial year for Modimolle Local Municipality and is approved for the following categories of property.

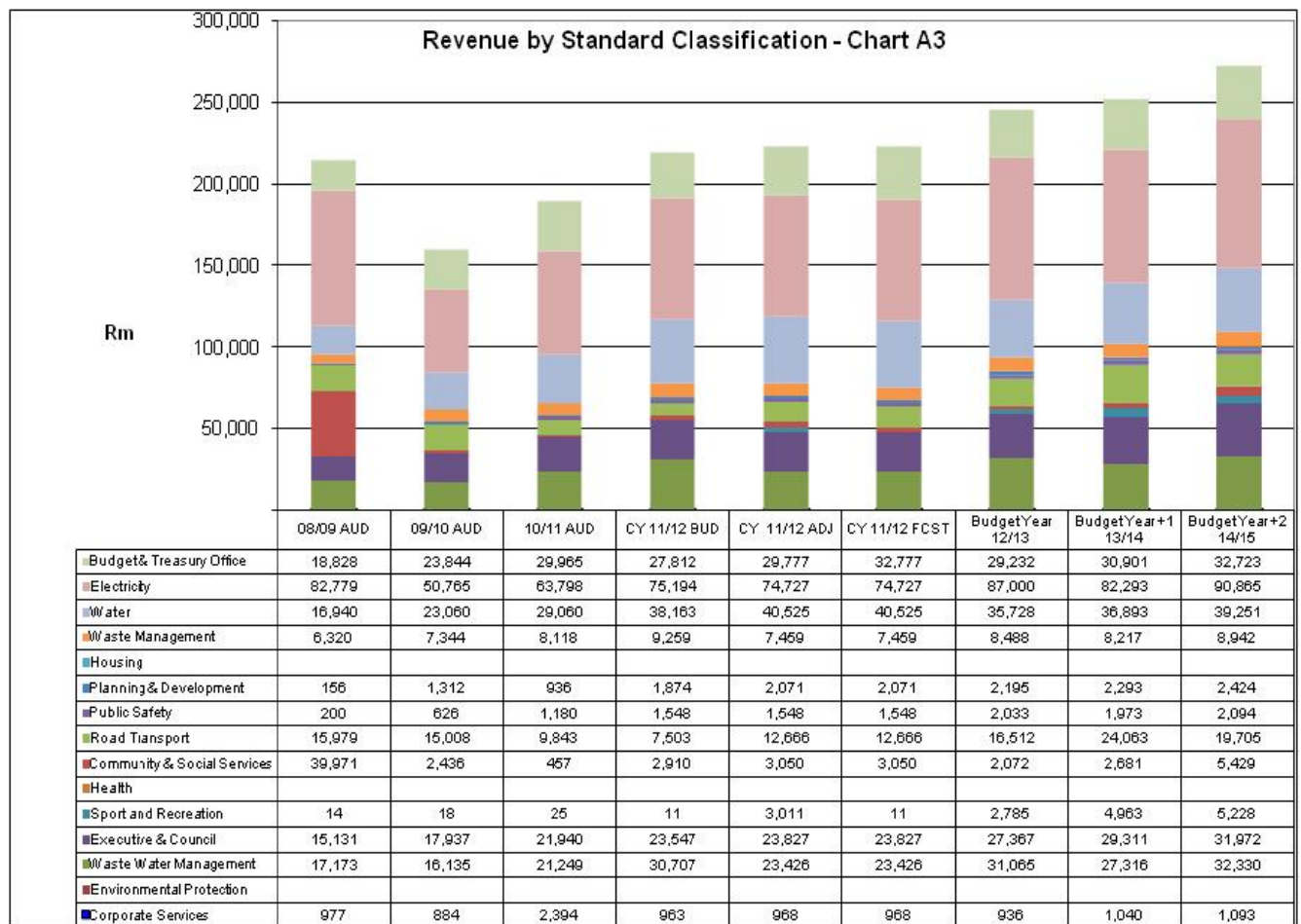
Table 65: Property Rates

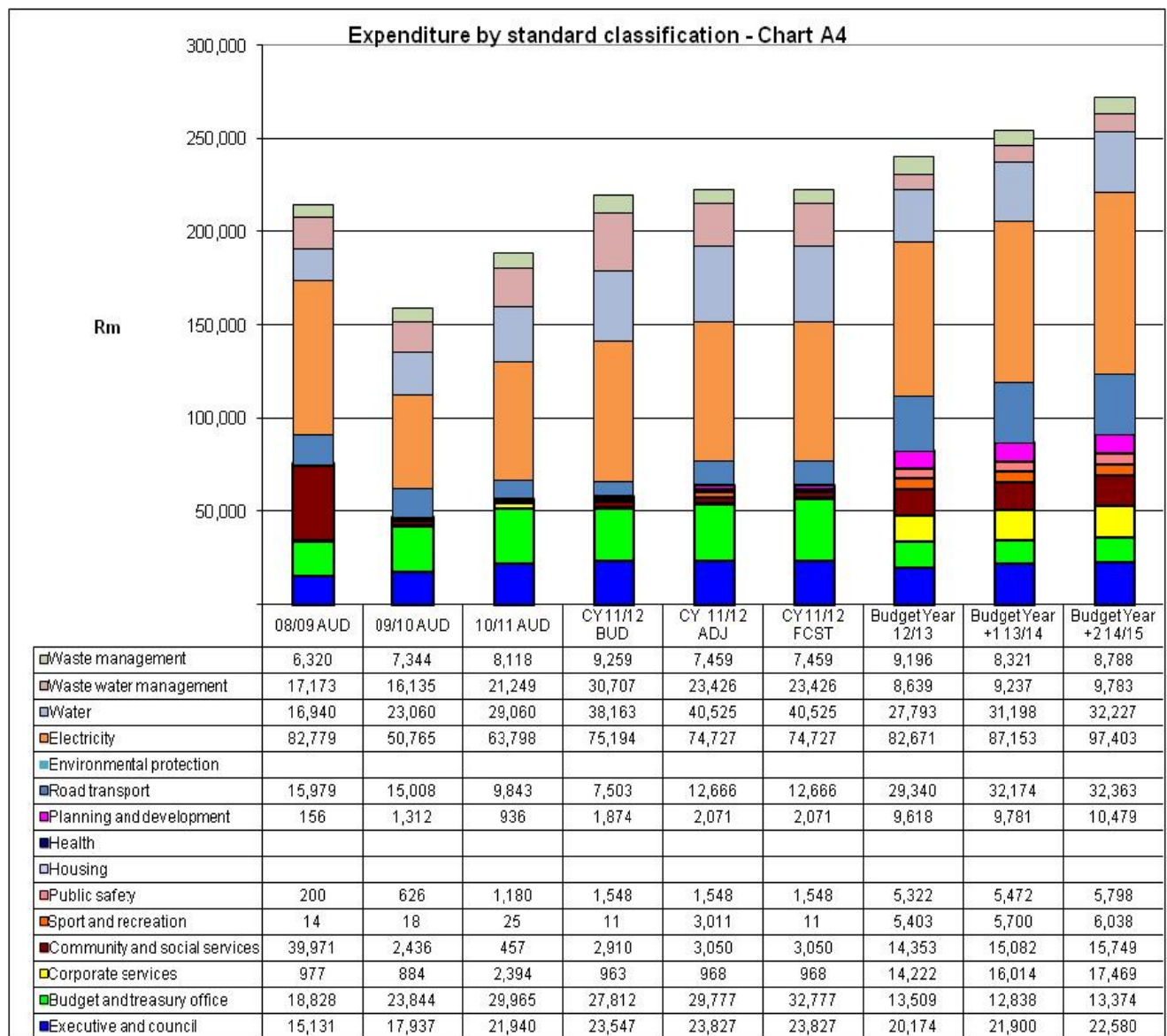
PROPERTY RATES	
<i>Rates are determined in terms of the Property Rates Act, 2004 (Act No 6 of 2004) as well as Council's Rate Policy</i>	
Residential Property	
An amount of 0.54 cent in a rand per annum	= 0.0054
Kokanje (areas not provided services by municipality)	
An amount of 0.54 cent in a rand per annum	= 0.0054
Business, Commercial & Industrial Property	
An amount of 2.06 cent in a rand per annum	= 0.0206
Agricultural Property	
An amount of 0.14 cent in a rand	= 0.0014
State owned Property	
An amount of 2.06 cent in a rand	= 0.0206
Public Service Infrastructure	
An amount of 0.14 cent in a rand	= 0.0014
Public Benefit Organisation	
An amount of 0.14 cent in a rand	= 0.0014
Mining Property	
An amount of 2.06 cent in a rand	= 0.0206

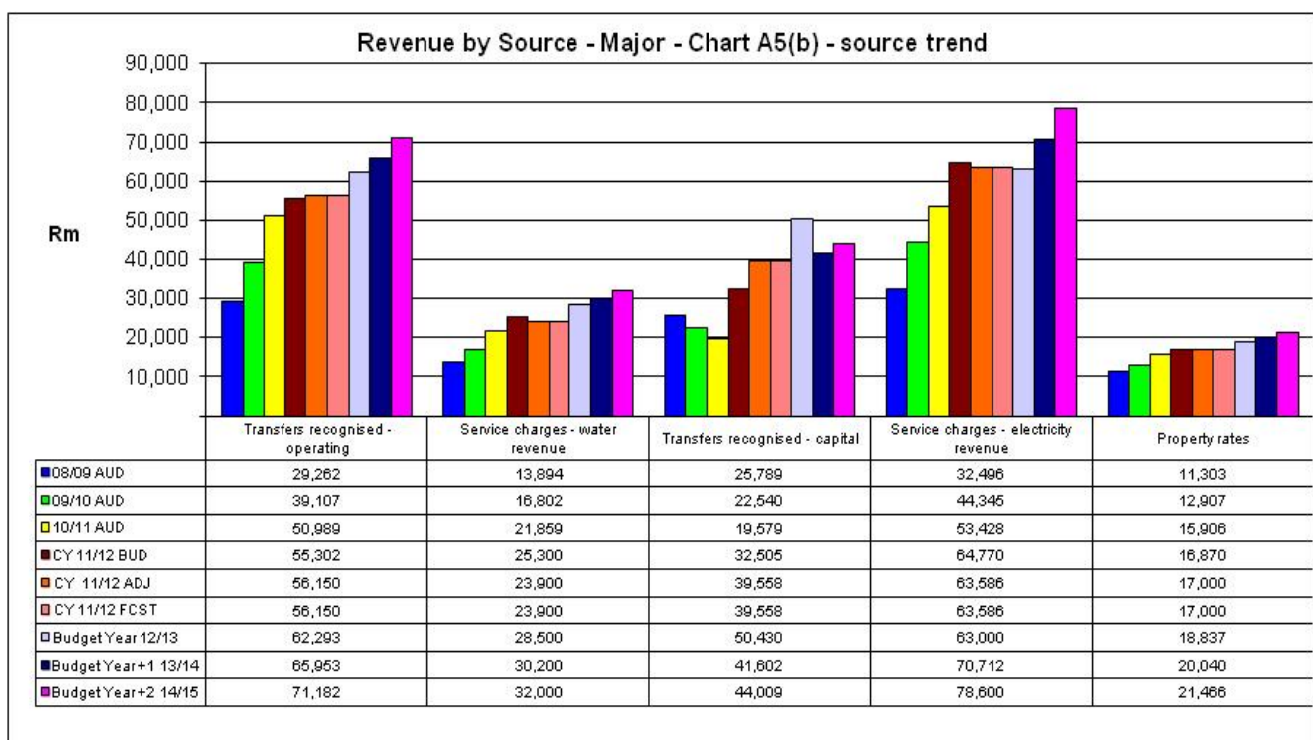
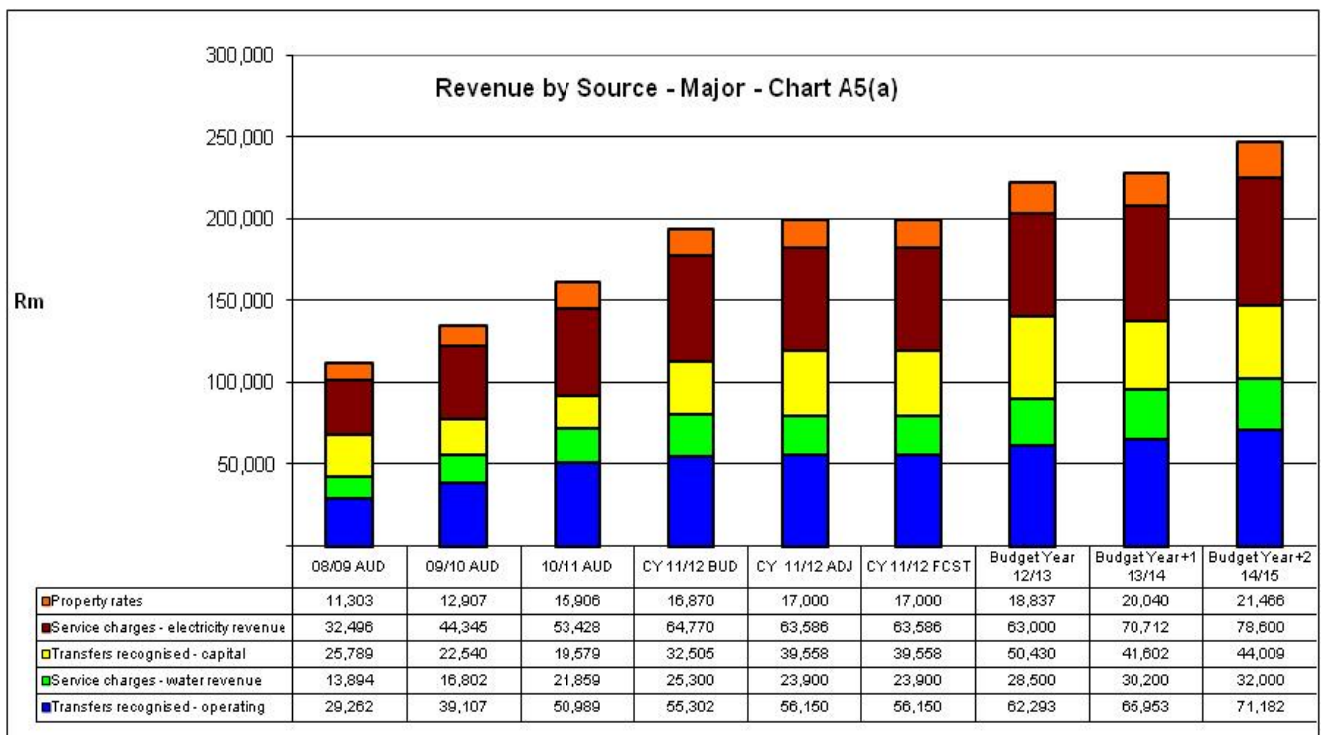
Annexure F: Supporting Charts

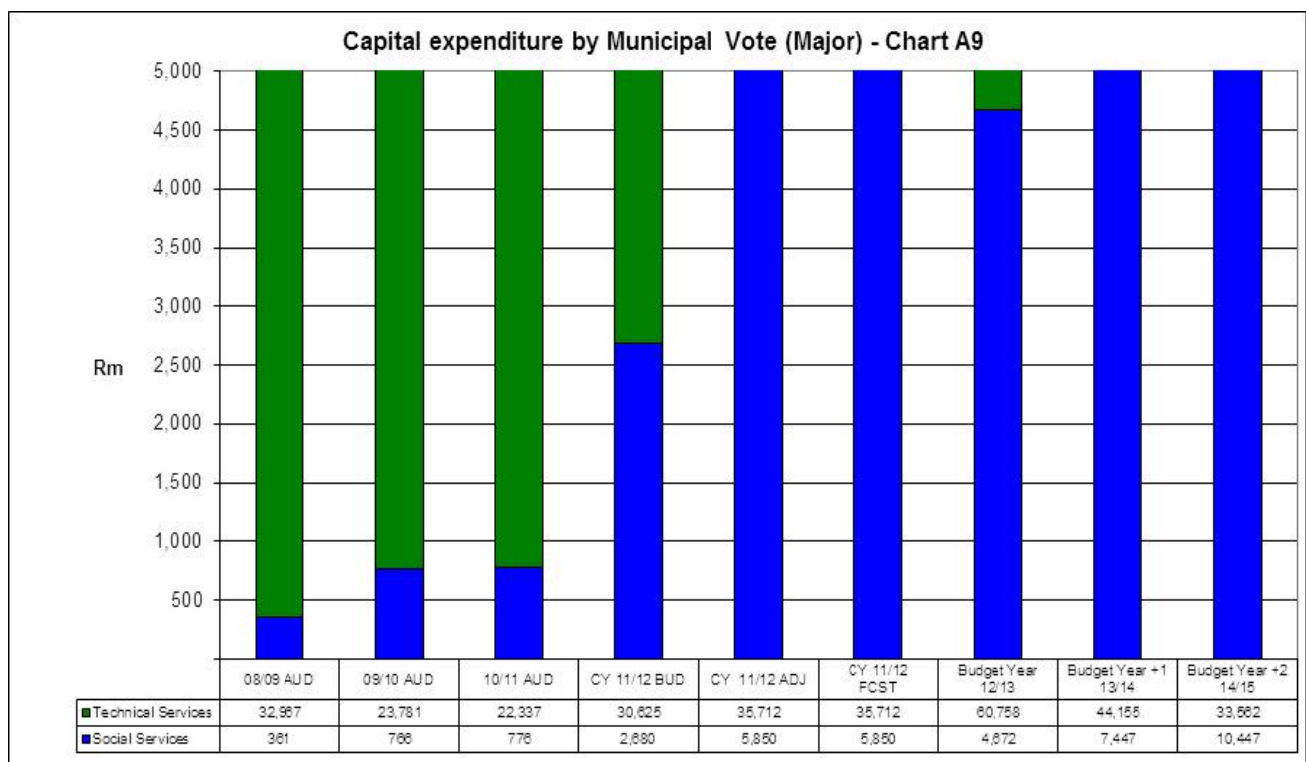
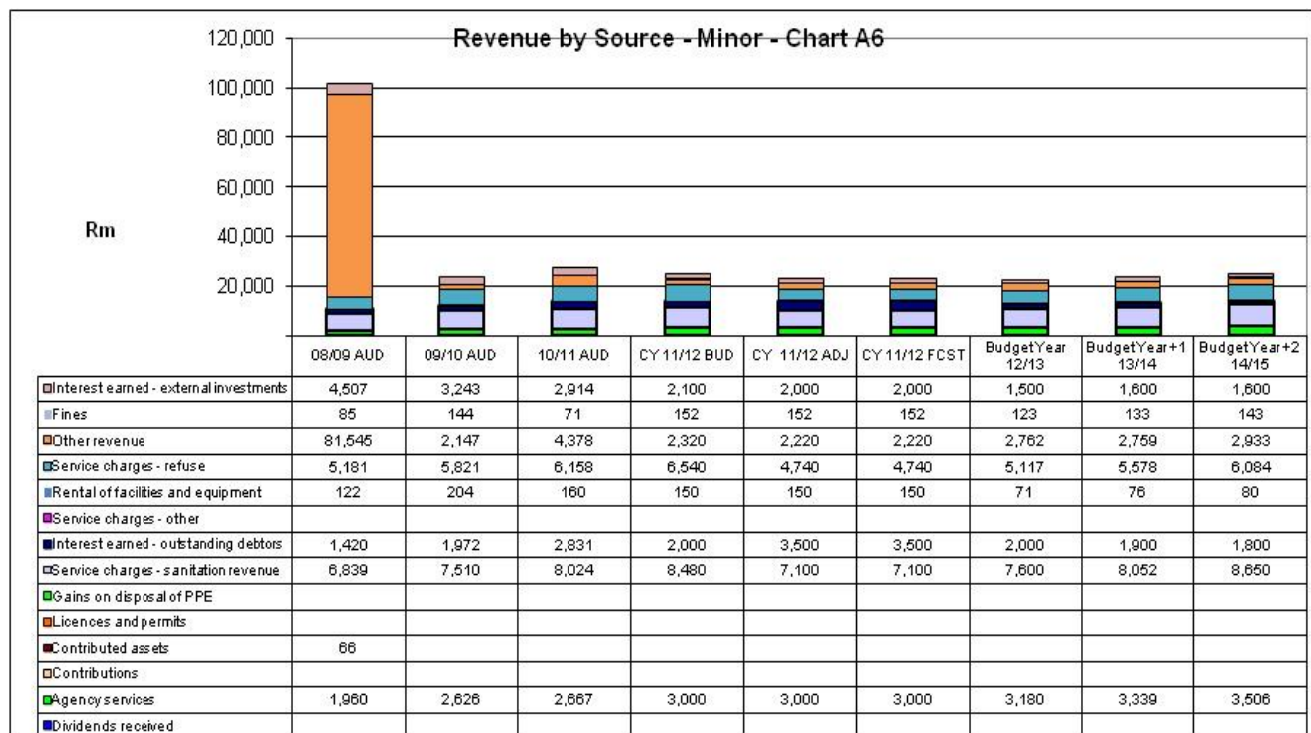


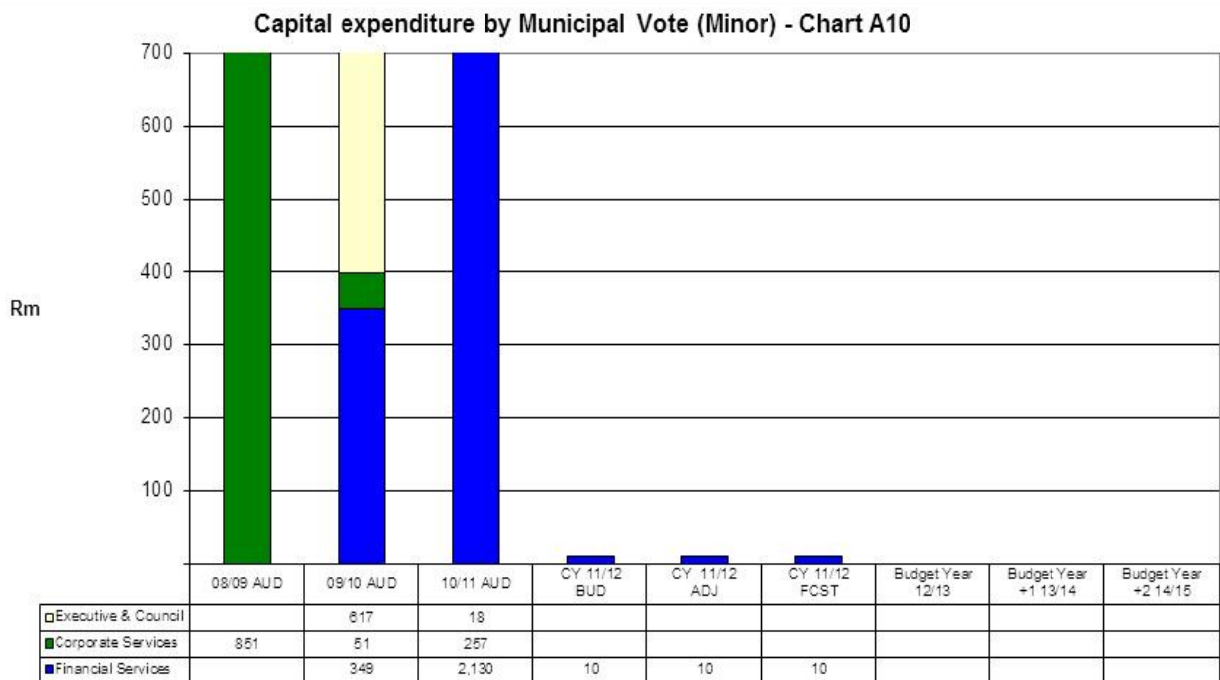












Annexure G: Integrated Development Plan

The Integrated Development Plan will be the presented in council.

Annexure H: Sundry Tariffs

ADVERTISING FEES		
DISCRIPTION	CHARGE	BASIC RENTAL COST
Single Gantry: In to Town Out of Town	R8 500.00 R6 500.00	R15 000.00
Citilite Per Face	R4 500.00	R 9000.00
Lightbox Per Ad Per Face	R425.00 R3 400.00	R6 800.00
Pole Ad Per Site	R 461.70	R461.70
Pave Ad Per Ad	R320.00	R640.00
Event Ad Per Ad	R3-00	R1 260-00

DESCRIPTION	CURRENT TARIFF 2011/2012	PROPOSED TARIFF 2012/2013
2. Sewer blockages	R 185-00	R 196-00
3. Sewer connection: 1 st connection 2 nd connection	R 615-00 R3040-00	R 652-00 R3222-00
Dumpin of Waste Water – Trucks		
8 kl Truck	R 50-00	R 53-00
10 kl Truck	R 70-00	R 74-00
20 kl Truck	R 140-00	R 148-00
4. Water connections: 15mm 20mm 25mm 40mm 50mm 75mm Larger than 75mm Moving of meter Replacement of a meter(consumer fault)	R 1 845-00 R 2 925-00 R 4 560-00 R 5 845-00 R 7 685-00 R10 915-00 Cost + 32% R 770-00 Cost + 32%	R 1 956-00 R 3 100-00 R 4 834-00 R 6 196-00 R 8 146-00 R11 570-00 Cost + 32% R 716-00 Cost + 32%
5. Burial Fees: All Residents and Rate Payers		
Adult: Standard Grave 8 Feet (2.44m) grave Casket Coffin Children All non residents Tombstone	R 385-00 R 460-00 R 420-00 R 130-00 R 1 690-00 R180-00	R 408-00 R 488-00 R 445-00 R 138-00 R 1 791-00 R190-00

6. Photocopying: Library A 3 A 4 Records A 3 A 4	R 4-65 R 2-40 R 4-65 R2-40	R 4-95 R 2-55 R 4-95 R2-55
7. Sale of soil, gravel etc , if available (max 20m ³) Penalty for illegal excavations	R 400-00 per m ³ R 5 000.00	R 425-00 per m ³ R 5 300.00
8. Any other private work in connection with Council activities	Cost + 32 %	Cost + 32 %
9. Registration of boreholes	R 140-00	R 148-00
10. Removal of garden refuse	R 250-00	R 265-00
10. Removal of dead animals: - Dogs, calves, cats, sheep and goats - Horses, cattle, donkeys and mules	R 80-00 R 200-00	R 85-00 R 212-00
13. All electrical connections	Cost + 12 %	Cost + 12 %
14. Re-connection of electricity and water services for non- payment of accounts - Office hours - Sunday and Public Holidays - Any other time - Dishonored payment - Illegal re-connection of services	R 235-00 R 140-00 R 1 540-00	R 250-00 R 148-00 R 1 632-00
15. Library : Fines Loss of cards - Membership Fees	R 8-00 per week R 16-00 R55-00 per member per year	R 8-50 per week R 17-00 R58-00 per member per year
16. Rates Clearance Certificates	R 130-00	R 138-00
17. Valuation Certificates	R 40-00	R 45-00
18. Rank Permit	R 105-00 per year	R 111-00 per year
19. Hawkers' Permit: - Residents - Non Residents	R 130-00 per year R 265-00 per year	R 138-00 per year R 280-00 per year

TARIFF: TOWN PLANNING AND BUILDING CONTROL
All tariffs exclude VAT

APPLICATION	CURRENT TARIFF	NEW TARIFF
Special Consent use in terms of the Modimolle Land use Scheme 2004	R 770-00 application fee + R 70-00 for every additional erf/stand included.	R 816-00 application fee + R 74-00 for every additional erf/stand included.
Written Consent use in terms of Modimolle Land Use Scheme 2004	R 770-00 application fee + R 70-00for every additional erf/stand included	R 816-00 application fee + R 74-00for every additional erf/ stand included
Building line relaxation use in terms of Modimolle Land Use scheme 2004	R 185-00 (per line to be relaxed)	R 196-00 (per line to be relaxed)
Subdivision application in terms of Section 92 of the Town Planning and Townships Ordinance (15/1986)	R 310-00 application fee + R 30-00 for every portion to be created by subdivision	R 329-00 application fee + R 32-00 for every portion to be created by subdivision
Consolidation application in terms of Section 92 of the Town Planning and Townships Ordinance (14/1986)	R 310-00 application fee + R 30-00 for every erf/stand included in consolidation	R 329-00 application fee + R 32-00 for every erf/stand included in consolidation
Rezoning application in terms of Section 56 of the Town Planning and Townships Ordinance (15/1986)	R 1 155-00 application fee + R 280-00 for every additional erf/stand	R 1 224-00 application fee + R 297-00 for every additional erf/ stand
Application in terms of the Removal of Restrictive Conditions	R 770-00 application fee	R 816-00 application fee
Division application in terms of the Ordinance on the Division of Agricultural land	R 420-00 application fee + R 70-00 per portion to be divided – applicant places all notices	R 445-00 application fee + R 74-00 per portion to be divided – applicant places all notices
Division in terms of the Division of Agricultural Land Act 70 of 1970	R 310-00 application fee + R 30-00 per portion to be divided	R 329-00 application fee + R 32-00 per portion to be divided
Zoning Certificate	R 40-00 per zoning certificate per stand	R 42-00 per zoning certificate per stand
Demolition Certificate	R 40-00 per certificate per stand	R 42-00 per certificate per stand
Township Establishment	R 4620-00 application fee (applicant places all notices)	R 4897-00 application fee (applicant places all notices)
Zoning Plans	A4 - R 46-20 A3 - R 83-75	A4 - R 49-00 A3 - R 88-75
Building prints	Sepia A – R 125-00 A1 – R 78-00 Durester AO – R 125-00 A1 – R 93-00 Paper AO – R 53-00 A1 – R 46-20	Sepia A – R 133-00 A1 – R 83-00 Durester AO – R 133-00 A1 – R 100-00 Paper AO – R 56-00 A1 – R 49-00
Building Plan Fees	For every 10m ² or part thereof of the area of the building tat the level of each floor- R 35-00 with a minimum of R 280-00. Applications for a minor work as defined in the National Building regulations- R 200-00	For every 10m ² or part thereof of the area of the building tat the level of each floor- R 37-00 with a minimum of R 297-00. Applications for a minor work as defined in the National Building regulations- R 212-00

LEASING OF VENUES: TARIFFS 2012/13

IN ALL INSTANCES OF RENTAL, A REFUNDABLE DEPOSIT OF R 500-00 IS APPLICABLE

TYPE OF GATHERING PER GATHERING BETWEEN 08:00 – 24:00	O R TAMBO HALL	RUTH FIRST MEMORIAL LIBRARY AUDITORIUM	PETER NCHABALENG HALL	YOSUF DADOO HALL	EPHRIAM MOGALE STADIUM	LESEDING HALL	LESEDING STADIUM
Weddings, entertainment, fairs, sales, exhibitions, shows, cinema shows, concerts and dramatic performances by professional players, fetes, dinners, luncheons, cocktail parties, mannequin parades and any other gathering not mentioned in these tariffs.	R 1400	Not available	R 1400	R 1400	R 1400	R 1400	R 1400
Amateur theatricals or concerts, dancing displays and practice, amateur boxing or wrestling tournaments, table tennis or badminton matches, and any other indoor sport or recreation when admission is charged.	R 420	Not available	R 420	R 420	R 420	R 420	R 420
Conferences, congresses, bazaars, meetings and lecturers	R 420	R 420	R 420	R 420	R 420	R 420	R 420
Theatrical or concert rehearsals, dancing practices and classes, provided that no admission is charged and provided further that if the facility is required for a gathering which will be of greater financial benefit to the Council, any reservation of the facility under this group shall be deemed to be cancelled	R420	Not available	R 420	R 420	Not available	R 420	Not available
Meetings by ratepayers associations, civic social and sporting bodies or clubs, debating or similar societies, political parties of elections, presentation of prizes, lectures of educational nature, religious services or gatherings	R 265	R 265	R 265	R 265	R 265	R 265	R 265
For fundraising purposes, churches, schools and other related bodies	R 280	Not available	R 280	R 280	R 280	R 280	R 280
Amateur boxing or wrestling tournaments, rugby, soccer and practices, table tennis or badminton tournaments or practices and any other indoor sport or recreation, provided that no admission is charged and provided further that if the facility is required for a gathering which will be of greater financial benefit to the Council, any reservations of the facility under this group shall be deemed to be cancelled.	R 280	Not available	R 280	R 280	R 280	R 280	R 280
Professional boxing, soccer, rugby, wrestling, cricket, athletics tournaments and music festivals	R3 820+ Refundable Deposit of R 500	Not applicable	R 3 820+ Refundable Deposit of R 500	Not applicable	R 7610 +Refundable Deposit of R 2000	Not applicable	Not applicable

Annexure I: Budget Related Policies

1. POLICY ON DEBT COLLECTION AND CREDIT CONTROL

PREAMBLE

Whereas Article 96 of the Municipal Systems Act, Act 32 of 2000, requires a Municipality to adopt, implement and maintain a credit control and debt management policy;

And whereas article 97 of the Municipal Systems Act specifies the contents of such a policy;

Hence the following policy is hereby adopted by the Council of the Modimolle Local Municipality:

1. DEFINITIONS

For the purposes of this policy, the wording or any expression will carry the same meaning as that as published in the Act unless it is specifically indicated to carry a different meaning:-

- 1.1 **"Act"** the Municipal Systems Act 2000, Act32 of 2000, as amended from time to time.
- 1.2 **"Authorised Representative"** the person or Institution who has been legally appointed by the Council to act on behalf of the Council or to carry out a function or duty on behalf of the Council.
- 1.3 **"Chief Financial Officer"** the person, appointed by the Council, in charge of the finances of Council irrespective of the title given to the post.
- 1.4 **"Client"** any occupant of a property to whom the Municipality has agreed to supply services to, or in the case where the occupant is not the owner, the owner of the property.
- 1.5 **"Council"** the Council of the Modimolle Local Municipality.
- 1.6 **"Defaulter"** a person who owes money to the Municipality after the due date has passed.
- 1.7 **"Engineer"** The person in charge of the Civil and Electrical Services of the Municipality.
- 1.8 **"Equipment"** a building or any other structure, pipe, pump, wiring, cable, meter, machine or any item of equipment.
- 1.9 **"Interest"** a cost that carries the same legal standing as Service Charges and is calculated, on arrear monies owing, at a rate as determined from time to time by the Council.
- 1.10 **"Municipal Account"** an account depicting the costs of services as provided by the Municipality or any authorised or contracted service provider and/or property rates in the form of, but not restricted to:-
 - (a) **"Annual Accounts"** raised annually and indicate charges raised for property rates, building clauses, availability charges, sewerage, refuse removal etc.
 - (b) **"Monthly Accounts"** raised monthly and indicate charges raised for property rates, building clauses, availability charges, sewerage, refuse removal etc.
- 1.11 **"Municipal Manager"** the person appointed in terms of Article 82 of the Municipal Structures Act 1998, Act 117 of 1998, including any person appointed in an acting position or to whom the necessary powers have been delegated.
- 1.12 **"Municipal Services"** the provision of services by the municipality such as water, electricity, refuse removal and sewerage for which a service charge is raised.
- 1.13 **"Municipality"** the institution responsible for service delivery and collecting monies for the Modimolle Local Municipality.
- 1.14 **"Occupant"** any person occupying any property or portion of property, without taking into consideration whether he/she is the owner of that property.

1.15 **“Owner”**

- (a) the person in whom from time to time is vested the legal title to premises;
- (b) in a case where the person in whom the legal title is vested is insolvent or dead, or is under any form of legal disability whatsoever, the person in whom the administration of and control of such premises is vested as curator, trustee, executor, administrator, judicial manager, liquidator or other legal representative”
- (c) in any case where the Council is unable to determine the identity of such person, a person who is entitled to the benefit of such premises or a building thereon;
- (d) in the case of premises for which a lease of 30 years or more has been entered into, the lessee thereof
- (e) in relation to –
 - (i) a piece of land delineated on a sectional plan registered in terms of the Sectional Titles Act 1986, (Act 95 of 1986), and without restricting the above the developer or the body corporate in respect of the common property, or
 - (ii) a section as defined in such Act, the person in whose name such section is registered under a sectional title deed and includes the lawfully appointed agent of such a person”
- (f) any legal person including but not limited to:
 - (i) a company registered in terms of the Companies Act, 1973 (Act 61 of 1973), Trust *inter vivos*, Trust *mortis causa*, a Closed Corporation registered in terms of the Closed Corporations Act, 1984 (Act 69 of 1984), a Voluntary Association.
 - (ii) any Department of State.
 - (iii) any Council or Board established in terms of any legislation applicable to the Republic of South Africa.
 - (iv) any Embassy or other foreign entity.

1.16 **“Property”** any piece of ground where the borders have been demarcated within the boundaries of the Modimolle Local Municipality.

2. PURPOSE OF THE POLICY

The purpose of this policy is to :-

- 2.1 To create a framework wherein the Council can exercise their executive and legal authority with regards to credit control and debt collection;
- 2.2 To ensure that all monies due and owing to the municipality are collected in a financially viable manner in the best interests of the community, residents and ratepayers;
- 2.3 To create a framework for customer care and to ensure support for indigents;
- 2.4 To prescribe credit control measures and the order in which actions must be carried out;
- 2.5 To establish measures and procedures regarding credit control and debt collection;
- 2.6 To establish achievable goals for credit control and debt collection.

3. POLICY PRINCIPLES

- 3.1 The Administrative integrity of the municipality must be upheld at all times. The democratically elected councillors are responsible for formulating policy whilst the Municipal Manager is responsible to carry out the policy.
- 3.2 Consumers must complete an application form wherein the municipality is officially requested to connect them to service supply lines. Existing consumers may be required to complete new application forms as determined by the Municipal Manager from time to time.

- 3.3 Copies of application forms, conditions of service delivery, extracts from the credit control and debt collection policy and the by-law must be supplied on request by any consumer against the applicable tariff as determined by the Council from time to time where applicable.
- 3.4 Accounts must be despatched timeously and must be accurate and easily understandable.
- 3.5 The consumer is entitled to access to pay points and to a variety of trustworthy payment methods.
- 3.6 The consumer is entitled to a good, efficient and reasonable answer on enquiries/appeals and may not be prejudiced during the processing of such enquiry/appeal.
- 3.7 Measures to encourage payments must be applied effectively and efficiently.
- 3.8 The unauthorised use of, disconnection and reconnection, tampering with or the theft of meters, services supply equipment and the reticulation network and any fraudulent/unlawful action in connection with the provision of municipal services will result in the termination of services, the imposition of severe penalties, the forfeiture of rights and/or the prosecution of the defaulter.
- 3.9 Incentives as well as penalties may be used in the collection process.
- 3.10 The collection process must be cost effective.
- 3.11 Results must be reported and monitored regularly and efficiently.
- 3.12 Application forms will be used to categorise consumers according to their potential risk and to determine the level of service as well as the amount of deposit required.
- 3.13 Targets and goals regarding achievements must be set for both customer care as well as collections and corrective measures must be set for underperformance.
- 3.14 Where practically possible, the customer care and the debt collection policies must be applied independent of each other and must be indicated as separate entities on the organisational structure.
- 3.15 The principle of providing services in exchange for the payment of arrears is supported.

4. DUTIES AND RESPONSIBILITIES

- 4.1 Duties and responsibilities of Council:
 - (a) To adopt a budget in support of the Integrated Development Plan.
 - (b) To implement rates and tariffs charges, and to determine service charges, monies and penalties so as to finance the budget.
 - (c) To provide for enough funding so as to guarantee access to basic services to indigents.
 - (d) To make provision for bad debts according to the payment record of the community, ratepayers and residents as indicated in the financial statements of the municipality.
 - (e) To identify targets in the collection of arrears according to acceptable accounting practise and abilities of the Municipal Manager.
 - (f) To approve a reporting framework for customer care, credit control and debt collection.
 - (g) To approve a by-law that empowers Council to execute the policy.
 - (h) To monitor the performance of the Municipal Manager in the areas of customer care, credit control and debt collections by the regulating authority (Executive Committee).
 - (i) To revise the budget if the targets for customer care, credit control and debt collecting are not met.
 - (j) To take disciplinary steps against any Councillors, officials and agents who do not act in accordance to the Council's policy and by-law.
 - (k) To approve the list of attorneys appointed to represent the Council with legal matters regarding the collecting of arrears.
 - (l) To delegate sufficient authority to the Executive Committee, Municipal Manager and service providers in order to monitor and carry out the provisions of the Customer Care, Credit Control and Debt Collection Policy.

- (m) To ensure enough capacity exists in the relevant departments to carry out the provisions of the Customer Care, Credit Control and Debt Collection Policy or else to appoint suitably qualified collection agents as an alternative.
- (n) To support the Municipal manager in the execution of his/her duties.
- (o) To provide funds for the training of staff.

4.2 Duties and Responsibilities of the Mayor:

- (a) To ensure that the Council's budget, cash flow and targets/goals regarding debt collecting according to official policy and by-law is carried out and attained.
- (b) To monitor the performance of the Municipal Manager in the implementation of the policy and by-law.
- (c) To revise the policy and by-law so as to evaluate the effectiveness of procedures, mechanisms and processes in order to improve customer care, credit control and debt collecting.
- (d) To report to the Council.

4.3 Duties and Responsibilities of the Municipal Manager:

- (a) To implement good customer care management.
- (b) To implement the Council's policy regarding customer care, credit control and debt collection.
- (c) To implement and maintain an appropriate accounting system.
- (d) To send out accounts to clients.
- (e) To claim payments on due dates.
- (f) To raise penalties against non-payments.
- (g) To allocate payments that has been received.
- (h) To collect arrear monies.
- (i) To implement "best practises".
- (j) To provide a variety of payment methods.
- (k) To determine customer care, credit control and debt collection measures.
- (l) To determine work procedures for the following: public relations, arrangements, disconnection of services, summoning, attachment of assets, sales-in-execution, write-off of bad debts, sundry debtors and legal procedures.
- (m) To appoint a firm or firms of attorneys to carry out the legal process (i.e. the attachment of and sale-in-execution of assets, salary emolument orders etc).
- (n) To establish targets for staff.
- (o) To employ staff in accordance with the Council's staff policy to carry out the policy and by-law.
- (p) To delegate certain functions to department heads.
- (q) To determine control measures.
- (r) To monitor contracts with service providers collecting the arrears.

4.4 Duties and Responsibilities of Communities, Ratepayers and residents:

- (a) To comply with the responsibilities resulting from the use of public facilities and/or the use of and/or enjoyment of municipal services.
- (b) To pay timeously before the due date all service charges, property rates and other taxes, tariffs and charges as implemented by the municipality.

- (c) To obtain a duplicate municipal account from the enquiries counter when the original account does not arrive within the normal accounts cycle.
- (d) To notify the municipality when services are no longer required at a particular service point or when an address must be changed.
- (e) To respect the mechanisms and processes of the municipality when exercising their rights.
- (f) To grant reasonable access to municipal officials to their property in the proper execution of their duties.
- (g) To acknowledge the by-laws and policies of Council.
- (h) Not to tamper with municipal services and property.

4.5 Duties and Responsibilities of Councillors:

- (a) To hold regular ward meetings (Ward Committee Members).
- (b) To uphold the by-laws and policies of Council and to inform ratepayers and residents of these policies and by-laws.
- (c) To uphold the Code of Conduct for Councillor's.
- (d) To provide input regarding the applications received from prospective indigents.
- (e) As policy makers, to avoid interfering in the administrative processes.

5. REPORTING

- 5.1 If, in the opinion of the Chief Finance Officer, cash collections are not going to meet the projected budgeted targets, then this must be reported to the Municipal Manager. The Municipal Manager must, if he agrees with the Chief Finance Officer, immediately request that the budget be reviewed and adjusted to realistically collectable levels.
- 5.2 The Mayor, as supervisory authority, must report to the Council every quarter as required by section 99(c) of the Act.

6. CUSTOMER CARE

6.1 Accounts and Invoicing

- 6.1.1 Consumers are entitled to receive an invoice from the municipality that consolidates all services and which is accurate and understandable.
- 6.1.2 Accounts will correspond with the meter reading cycle and due dates will be linked to the dates of the invoices.
- 6.1.3 Accounts will be despatched monthly approximately every 30 days to the latest address of the consumer in the records of the municipality.
- 6.1.4 It is the responsibility of the consumer to ensure that his/her address and other contact details with the municipality are correct.
- 6.1.5 Should accounts not be received by a consumer, the responsibility to pay timeously still rests with the consumer.
- 6.1.6 The due date is indicated on the invoice and normally would be as follows:
 - (a) Monthly accounts are payable on or before the 7th day, or the first working day thereafter if the 7th falls on a weekend or public holiday, in the month following the month in which the account has been rendered.
 - (b) Accounts of Councillors and Staff can be deducted from their salaries.

- 6.1.7 If an account is not paid in full, any lesser amount paid will not be considered as full and final settlement.
- 6.1.8 If any payment by negotiable instrument to the municipality or its authorised agent is returned by the bank as unpaid:
 - (a) the municipality or its authorised agent may recover the bank charges regarding the unpaid item from the account of the debtor;
 - (b) the municipality or its authorised agent must regard this as a default payment and services may only be reconnected after receipt of cash or a bank guaranteed cheque.
 - (c) the municipality may insist that all future payments be made in cash only.
- 6.1.9 If so requested, the municipality, or its authorised agent, must produce a copy tax invoice where administratively possible against the tariff as determined by Council from time to time.

6.2 Payment facilities and methods of payments

- 6.2.1 The municipality must operate suitable and acceptable bank and cash facilities and must ensure that such facilities are accessible to all residents.
- 6.2.2 The municipality must, at its own discretion, allocate a payment between services fairly. A debtor who is in arrears may not specify how the monies paid on his/her account may be allocated between the various services.
- 6.2.3 The municipality may, in terms of Section 103 of the Act and with the permission of the debtor, approach an employer to arrange for a debit order to be placed on the debtor's salary.
- 6.2.4 The debtor must acknowledge that the use of agents to pay over monies owing to the municipality is at the risk of the debtor and he/she must take into consideration the time it will take for such payment to be paid over to the municipality. This acknowledgement should be enshrined in the payment arrangement.

6.3 Incentives for regular payments

- 6.3.1 In order to encourage regular and timeous payments and in order to reward regular payers, the Council may, from time-to-time, implement measures through which such timeous and regular payments are rewarded.
- 6.3.2 If such measures are implemented, the costs related to such a scheme will be reflected in the operating expenditure as an additional item.

6.4 Enquiries, disputes and service complaints

- 6.4.1 The municipality must make provision for the following within its administrative and financial powers:-
 - (a) Establish a centralised enquiries office;
 - (b) Establish a centralised database for complaints that facilitates the co-ordination of complaints, speed up solutions and to provide effective communication with customers;
 - (c) Introduce effective training of staff that deal with the public in order to improve service delivery and communication;
 - (d) Establish a line of communication with the Council to provide feedback on the implementation of this policy as well as other issues/problems.

- 6.4.2 If a consumer is convinced that his/her account is incorrect, then he/she can make representation to the Council in writing within 30 days after rendering such account to have the account investigated and where necessary effect the necessary adjustments.
- 6.4.3 Whilst the complaint is being investigated, the consumer must pay an amount based on an average of previous 3 months consumption if the history on that account is available. If no history is available then the consumer must pay an amount as given by the municipality, without prejudice, and before the due date until the matter is amicably resolved.
- 6.4.4 The applicable department must investigate the matter and inform the consumer of the outcome of such investigation within one month.
- 6.4.5 Lessees who do not make payment arrangements or payments, will be subject to normal credit control and debt collection procedures.
- 6.4.6 A debtor may lodge an appeal, with regard to the findings as per paragraph 6.4.4, against the municipality or the municipality's authorised agent.
- 6.4.7 An appeal, in terms of paragraph 6.4.6, must be lodged with the municipality within 21 (twenty-one) days after the findings of the investigation, in terms of paragraph 6.4.4, have been communicated to the debtor and must:-
 - (a) give a detailed explanation as to why the findings are rejected;
 - (b) supply any proof obtained indicating that the meter is faulty, where applicable.
- 6.4.8 In the event of a customer alleging that any meter is defective or inaccurate, the municipality may arrange for the meter to be tested at a fee payable by the customer. In the event that the test proves that the meter is defective, the municipality will reimburse the customer.

6.5 Customer Support Program

6.5.1 Water leaks:

- (a) If the leak is on the consumer's side of the meter, then the consumer is responsible for paying the account in full.
- (b) It is the responsibility of the consumer to control and monitor his/her consumption.

6.5.2 Rules for payment arrangements

Arrangement for extension for payment will be in the form of a written agreement between the municipality and the customer for the payment in regular and consecutive instalments of the outstanding balance, cost and interest thereon.

- An Acknowledgment of Debt must be completed, with all arrangements for paying off arrear accounts. Copy must be handed to client and one to be filed on debtors file.
- Only account holders with positive proof of identification or an authorised agent will be allowed to complete the Acknowledgement of Debt.
- Debit orders may be completed for the monthly payment of the agreed account as far as possible. If arrangement is dishonoured, the full balance will immediately become payable.
- Where cheques are returned, "Refer to Drawer", the full balance will immediately become payable. Services to such clients will be restricted/disconnected until the full amount is paid in cash or per bank guaranteed cheque.
- No person will be allowed to enter into a second agreement if the first agreement was dishonoured excepts in special merit cases.
- Where no arrangement was made and services are disconnected/restricted due to non-payment, it will only be restored upon payment of full outstanding balance or signing an Acknowledgement of Debt, subject to the following condition:

“if a customer is in arrears, he/she must make arrangements to remit the balance of the arrears in monthly instalments as agreed upon per month, subject thereto that a customer immediately after concluding the arrangement pay his/her current account in full in the subsequent month thereafter. All payments are to be made on or before the due date of each month. The accounts agreed upon will be paid within a period of 6 months”.

- Only the Chief Financial Officer, Division Manager; Income Accountant and Clerk: Debt Collection under delegated authority of the Municipal Manager may agree to extension for payment and these cases must be supported by documentary proof and previous payment record will be taken into consideration.
- Special merit cases will be referred to an extension committee comprising Chief Financial Officer, Divisional Manager: Income, Accountant: Income and Clerk: Debt Collection.

6.5.3 Rates and instalments:

- (a) Property rates and annual services must be paid in twelve equal instalments.

6.6 Subsidies for indigent consumers

- 6.6.1 A basic level of services will be supplied to households that qualify and who further earn a total monthly income equal to or less than the amount as determined by Council from time-to-time.
- 6.6.2 The funding of subsidies to indigents will be funded from the equitable share as received from National Government and budgeted for in the Council's annual budget.
- 6.6.3 The services that will be subsidised are rates, electricity, sewerage, refuse removal and water.
- 6.6.4 If the consumption or usage of water and electricity is less than the subsidised provision, the balance of the subsidised allocation of water for that month will not be carried over to the next month nor may the consumer apply for a credit or a cash refund in respect of the unused allocation.
- 6.6.5 If the consumption or usage of water and electricity exceeds the subsidised allocation, the consumer will be liable to pay for the excess consumption or usage against the applicable tariff as published in the annual tariffs.
- 6.6.6 In order to restrict the increase in the debt of indigent consumers, the consumption of all recipients of the indigent grant will be restricted.
- 6.6.7 Where the account of a consumer who qualifies for an indigent grant is fully paid up or where the account is regularly settled in full, the Chief Financial Officer may exempt him/her from the restriction on consumption.
- 6.6.8 Where a consumer's personal circumstances improve to the extent that he/she no longer qualifies for the indigent grant, he/she must apply to be deregistered.
- 6.6.9 An indigent consumer can apply to be deregistered at any time.
- 6.6.10 A list of indigent consumers will be compiled and available to the general public (only erf numbers and recipients).

6.7 Consumer's Categories

- 6.7.1 Consumers will be classified into special categories which will make provision for the type of business, applicable tariff and the risk associated with service delivery. Credit control proce-

dures, debt collection and customer care may differ between categories as determined by the Municipal Manager from time-to-time.

7. CREDIT CONTROL POLICY

7.1 Aim

- 7.1.1 To implement procedures that will reach targets set for the collection of debt, to achieve service delivery targets and the prevention of the escalation of existing debt.
- 7.1.2 To facilitate financial support in the provision of basic services for the indigent members of the community.
- 7.1.3 To provide motivation for the timeous payment of accounts.
- 7.1.4 To reduce risk through effective management aids and reporting.

7.2 Service requests and agreements

- 7.2.1 It will be requirement for all consumers of services to sign an agreement so as to regulate the delivery and costs of providing the service. Owners may allow a lessee to enter into a separate agreement with the municipality which the municipality may accept. Should such a lessee not pay his/her account, the owner of the property will become liable for such debt except where the owner of the property is the municipality.
- 7.2.2 Before signing such an agreement with the municipality, the owner/lessee is entitled to receive the policy document from the municipality.
- 7.2.3 At the signing of the agreement, the owner or lessee must receive a copy thereof.
- 7.2.4 In the agreement, consumers will make themselves liable for collection costs, interest and fines through non-payment.
- 7.2.5 Existing consumers will be required to sign new service delivery agreements as determined by the Municipal Manager from time-to-time.
- 7.2.6 Should a consumer not sign such an agreement with the municipality or to provide security in terms of paragraph 8.6, the municipality may:
 - (a) hold that particular consumer liable for all debt incurred at that property; and/or
 - (b) restrict or terminate the services.

7.3 Right Of Access To Property

- 7.3.1 The owner or occupier of a property must provide any authorised municipal official with access, at a reasonable time, to his/her property in order to read any meter, undertake an inspection, repair or to connect, suspend, restrict or reconnect the supply of the service.
- 7.3.2 The owner will be held responsible for the repositioning of any meter should reasonable access be denied.
- 7.3.3 Should a person fail to comply with any of the requirements, the municipality or its authorised agent may :-
 - (a) notify such person by means of a written notice to restore access within a specific time period at his/her own costs;
 - (b) in urgent cases, restore access at the expense of the owner without prior notice immediately.

7.4 Enforcement Measures

- 7.4.1 Interest may be charged, in terms of applicable legislation, as a cost on all accounts not paid by the due date.
- 7.4.2 The municipality reserves the right to restrict or suspend services, or to carry out any debt collection as a result of late payments or non-payments of accounts by any consumer, owner or property.

7.5 Theft and fraud

- 7.5.1 If it is found that any person (natural or juristic) unlawfully connects or reconnects to the municipal supply, or that he/she has tampered with the meters, reticulation network or any other equipment belonging to the municipality, or has carried out any unauthorised service associated with the delivering of services by the municipality, or has stolen or damaged municipal property, will be prosecuted or held responsible for fines as determined from time-to-time.
- 7.5.2 The municipality will immediately suspend the services or remove the service should any of the above be brought to their attention.
- 7.5.3 The total amount that is due and outstanding, including fines, interest, estimated consumption of unauthorised services, disconnection and reconnection fees as well as any increased deposit amount is payable in full before any reconnection can be considered.
- 7.5.4 The municipality will implement a monitoring system and identify teams that will trace and monitor consumers conducting any of the above offences.
- 7.5.5 An official complaint of both vandalism and theft will be lodged with the police and the municipality reserves the right to take any further legal steps against such consumers as it deems necessary.
- 7.5.6 The municipal services of any person found withholding information or giving false information in the above regard can have their supply terminated.

7.6 Selection Of Clients And Security

- 7.6.1 The credit worthiness of all applicants for municipal services may be investigated which may include information from banks, credit bureaus, local authorities, retail creditors and employers.
- 7.6.2 Security deposits, whether in cash or in any other form acceptable to the municipality, will be accepted and can vary according to the risk involved.
- 7.6.3 The municipality may increase the level of deposits at its sole discretion.
- 7.6.4 Deposits may vary according to the credit worthiness or legal classification of the applicant, subject to the minimum requirements of paragraph 8.6.2.
- 7.6.5 The municipality will not pay interest on deposits.
- 7.6.6 The amount of the deposit, less any outstanding amount due to the municipality, will be refunded at the termination of the agreement between the owner and the municipality.

7.7 Tenders Submitted To The Municipality

- 7.7.1 The procurement policy and tender conditions of the municipality must include the following :-

- (a) When tenders for the provision of services or for the delivery of goods are requested, potential suppliers will be subject to the provision that they will declare to the municipality that all monies owing to the municipality have either been paid in full or an acceptable arrangement (subject to offset being applied through default on the terms of the contract) has been made to pay off the balance owing subject to the terms and conditions of this policy. Such monies owing will be by the company submitting the tender, its directors, owners and/or partners.
- (b) No tender will be awarded where monies are owing without an acceptable payment arrangement has been concluded. No further debt may be allowed to accumulate during the contract period.
- (c) Tender conditions must include a clause allowing the municipality to deduct any monies owing to the municipality from the monies owing to the company/supplier in terms of the tender.

7.8 Collection Costs

- 7.8.1 All costs for legal procedures, including interest, fines, termination of service, costs and legal costs with regard to customer care or credit control, where applicable, will be debited to the account of the consumer and must reflect the actual costs involved.

7.9 Prepaid Meter System

- 7.9.1 The municipality will use the prepaid meter system for :-
- (a) the provision of electricity as a means of pre-purchasing electricity units;
 - (b) to allocate monies through the purchase of prepaid electricity units towards the payment of arrears in respect of rates, water, sanitation, refuse removal and sewerage.

8. DEBT COLLECTION POLICY

8.1 AIM

To make provision for measures and procedures for the collection of all arrears owing to the municipality emanating from the provision of services and annual levies in order to ensure the financial sustainability of the municipality and service delivery in the best interests of the community.

8.2 Personal Contact

- 8.2.1 Personal/telephonic/ Agent interaction
- (a) The municipality, or its agent, shall strive to, within the confines of affordability, contact all arrear debtors so as to encourage them to pay and to inform them of their arrear status and their legal rights regarding making a payment arrangement, applying for indigent assistance or any other mechanism available as from time-to-time.
 - (b) Such contact, between the municipality or its agent and the debtor, is not a right to which the debtor is entitled and the collection of arrears through actions and measures will continue for whatever reason in the absence of such contact.

8.3 Service Interruptions

- 8.3.1 Consumers with arrear municipal accounts and who have not made payment arrangements with the municipality, will have their water, electricity and access to other municipal services disconnected, restricted or suspended.
- 8.3.2 The municipality reserves the right to deny or restrict the sale of electricity and/or water to debtors with rates and other service in arrears.
- 8.3.3 On the payment of arrears, including all fines, interest and penalties raised in terms of paragraph 8.3.4 and 8.3.5, or through the concluding of an acceptable payment arrangement, services will be resumed as soon as is humanly possible.
- 8.3.4 The cost of restricting or disconnection, including reconnection, will be determined by the tariffs as approved by the Council and will become due and payable by the consumer.
- 8.3.5 The deposit of a defaulter will be adjusted accordingly in accordance with the applicable policy of the Council.

8.4 Legal procedures

(Use of attorneys/Use of credit Bureaus)

- 8.4.1 Where a debtor is in arrears with his/her account, the municipality can institute legal proceedings against the debtor. These proceedings are not restricted to, but can include the following steps: final warnings; summonses; court proceedings; fines; attachment orders and as a last resort, a sale-in-execution.
- 8.4.2 The municipality must exercise strong control over the legal process so as to ensure accuracy and legality and will require regular reports reflecting progress made from the person in charge of the collections from whoever has been appointed by the Council to carry out the collections.
- 8.4.3 The municipality will agree on procedures and processes with such collection agents.
- 8.4.4 Administrative orders for persons who are employed will be preferable to sales-in-execution although both actions form part of the municipality's collection procedures.
- 8.4.5 All steps taken in the collection process will be recorded for the municipality's as well as the debtor's information.
- 8.4.6 All costs incurred in the collection process are for the account of the debtor.
- 8.4.7 Individual debtor's accounts are confidential and not for general public knowledge. Such information can, however, be made available to Credit Bureaus by the municipality. Such disclosure will be in the form of a written notification and protection of this info will be embodied in the agreement drawn up between the municipality and its customers.
- 8.4.8 The municipality may reconsider the cost effectiveness of this process and report to the executive committee on all aspects regarding this process.
- 8.4.9 On the recommendation of the Municipal Manager, Council may consider the use of agents and latest debt collection practises and products. Cost efficiency, the willingness of collection agents to work within the acceptable codes of conduct and the welfare of such agents and products will all form part of the agreement entered into by the Council.
- 8.4.10 Consumers will be informed of the powers and rights of collection agents as well as their responsibilities regarding codes of conduct.

- 8.4.11 Any agreement entered into between the Council and a collection agent must include a clause stating that any breach of any of the clauses of the agreement will result in such agreement being terminated.

8.5 Non-Collection Of Debts

- 8.5.1 The Municipal Manager must ensure that all avenues are pursued to collect all monies owing to the municipality.
- 8.5.2 There are circumstances, such as Section 109(2) of the Act where under collection processes can be suspended such as:-
- (a) When the debtor is declared insolvent and his/her estate does not have enough money to liquidate his/her debts;
 - (b) A balance that is so small as to make collection costs unviable;
 - (c) Where the Council is of the opinion that the debtor or group of debtors is/are not in a position to pay their debt.
- 8.5.3 An audit trail will be retained in all the above cases stating reasons why these monies are not being collected by the municipality.

9. PROVISION FOR BAD DEBT

- 9.1 The objective for the provision of bad debt is to make a realistic provision annually in the Revenue Budget to cater for charges raised in terms of the budget that cannot be collected.
- 9.2 The calculation of the provision for bad debt will be based on an extract of Council's debtors' book as at the last day of the financial year.
- 9.3 The extract of Council's debtors' book must reflect detailed ageing of the debt within the following debt categories:-
- (a) Debt per service; and
 - (b) Debt per type of debtor.
- 9.4 A provision for bad debt amount will be calculated in terms of each of the abovementioned categories and will be submitted to the Chief Financial Officer for consideration of the provision amount to be included in the Revenue Budget.
- 9.5 The provision for bad debt amount will be an accumulative expression of a percentage of the amount of the debt occurrence at a certain ageing category and an amount that represents an accumulation of individual debt amounts.
- 9.6 When calculating the provision for bad debt in terms of the debt per service category the following must be considered:-
- (a) The probability of the ageing of the debt.
 - (b) The payment trend of each of the services billed.
 - (c) The probability of recovery between the different types of services. The probability of recovering property rates versus the recovery of other services in the same ageing occurrence will be higher, as property rates is a tax and only prescribes after 30 (thirty) years in terms of relevant legislation.
- 9.7 When calculating the provision for bad debt in terms of the debt per type of debt category the following must be:-

- (a) The probability of the ageing of the debt.
 - (b) The debt as per the following debtor groups identified considered (note that the type of debtors that make up the groups below will be those as detailed in the financial management system at the time of the date extraction):-
 - (i) Domestic;
 - (ii) Business;
 - (iii) Government departments;
 - (iv) Municipal staff and Councillors;
 - (v) Other debtors.
 - (c) The debt on the following debt groups are to be excluded from the provision calculation, as the debt is deemed to be collectable:-
 - (i) Government departments;
 - (ii) Municipal staff and Councillors;
 - (d) The debt on the following debt groups are to be fully provided for in the provision calculation, as the debt is deemed to be not collectable:-
 - (i) Indigent debtors;
 - (ii) Debtors under administration;
 - (iii) Insolvent and liquidated estates;
 - (iv) Deceased indigent estates;
 - (v) Informal settlements;
 - (vi) Debt that has prescribed;
 - (vii) Uncollectable business debt after legal action;
 - (viii) Uncollectable domestic debt after legal action.
 - (e) The payment trend of each of the debtor groups.
 - (f) When determining the provision percentages on domestic debtors the demographics of the municipal area must be taken into account, as the probability of recovery of debt will be higher in the high income suburbs as compared to the recovery of debt in the low income suburbs.
- 9.8 The provision for bad debt is based on the likelihood of non-payment. In order to determine this likelihood of payment or not, each debtor needs to be evaluated separately and categorised based on the degree of payment expectancy.
- 9.9 The evaluation of a debtor is firstly based on payment history, prior to the effective date of provision and secondly on the payment history during the period immediately after the effective date of provision.
- 9.10 The evaluation process is discussed below:-
- (a) **Historical review**
 - (i) Likely payers - All debtors, regardless of age or amount, who have made payments during each of the six payment periods/months prior to the effective date of provision, will be cate-

gorised as **debtors likely to pay** and no provision for bad debts will be made on these accounts.

- (ii) Possible payers – All debtors, regardless of age or amount, who have made at least one payment within the six payment periods/months prior to the effective date of provision, will be categorised as **possible payers** and no provision for bad debts will be made on these accounts.
- (iii) Likely not to pay – All debtors, regardless of age or amount, who have not made any payments during any of the six payment periods/months prior to the effective date of provision, will be categorised as **debtors unlikely to pay** and the full amount of the outstanding debt will be provided under the provision for bad debts.

(b) Current review

- (i) Likely payers – All debtors, regardless of the categorisation under the historical review, who have made payments or signed an agreement to pay, during each of the payment periods/months after the effective date of provision, will be categorised as **debtors likely to pay** and no provision for bad debts will be made on these accounts.
- (ii) Possible payers – All debtors previously categorised under (9)(a)(i) or (9)(a)(ii), who have made payments or signed an arrangement to pay, during any of the payment periods/months after the effective date of provision, will be categorised as **possible payers** and no provision for bad debts will be made on these accounts.
- (iii) Likely not to pay (1) – All debtors previously categorised under (9)(a)(iii), who have not made payments during each of the payment periods/months after the effective date of provision, will still be categorised as **debtors unlikely to pay** and the full amount outstanding on their accounts will be provided under the provision for bad debts.
- (iv) Likely not to pay (2) – All debtors previously categorised under (9)(a)(i) or (9)(a)(ii), who have made no payments during any of the payment periods/months after the effective date of provision, will also be categorised as **debtors unlikely to pay** and the full amount outstanding on their accounts will be provided under the provision for bad debts.

10. SHORT TITLE

This policy will be known as the Credit Control and Debt Collection Policy of the Modimolle Local Municipality.

2. VIREMENT POLICY

1. PREAMBLE

The Modimolle Local Municipality strives to manage its resources diligently. The municipality therefore is moving away from the traditional approach of appropriating/approving budgets by line item.

2. VISION

To be a municipality that manages its budget in terms of the latest legislation and updated policies.

3. MISSION

To have a Virement policy in place that provide clear guidance to managers when and how to move funds between items, projects, programmes and votes.

4. DEFINITIONS AND ABBREVIATIONS

4.1 Definitions

- (i) **Accounting officer**
The municipal manager of a municipality is the accounting officer of the municipality in terms of section 60 of the MFMA.
- (ii) **Approved budget**
Means an annual budget approved by a municipal council.
- (iii) **Budget-related policy**
Means a policy of a municipality affecting or affected by the annual budget of the municipality.
- (iv) **Chief financial officer**
Means a person designated in terms of the MFMA who performs such budgeting and other duties as may in terms of section 79 of the MFMA be delegated by the accounting officer to the chief financial officer.
- (v) **Capital budget**
This is the estimated amount for capital items in a given fiscal period. Capital items are fixed assets such as facilities and equipment, the cost of which is normally written off over a number of fiscal periods.
- (vi) **Council**
Means the council of a municipality referred to in section 18 of the Municipal Structures Act.
- (vii) **Financial year**
Means a 12 month year ending on 30 June.
- (viii) **Line item**
An appropriation that is itemized on a separate line in a budget adopted with the idea of a greater control over expenditures.
- (ix) **Operating budget**
The Municipality's financial plan, which proposes expenditures for the coming financial year and estimates the revenues used to finance them.
- (x) **Ring fenced**
An exclusive combination of line items grouped for specific purposes for instance salaries and wages.
- (xi) **Service delivery and budget implementation plan**

Means a detailed plan approved by the mayor of a municipality in terms of section 53(1) (c) (ii) for implementing the municipality's delivery of municipal services its annual budget and the Integrated Development Plan

(xii) **Virement**

Is the process of transferring an approved budget allocation from one operating line item of capital project to another, with the approval of the relevant Manager. To enable the budget managers to amend budgets in the light of experience or to reflect anticipated changes.

(xiii) **Vote**

Means one of the main segments into which a budget of a municipality is divided for the appropriation of funds for the different departments or functional areas of the municipality; and which specifies the total amounts that is appropriated for the purposes of the department or functional area concerned.

4.2 Abbreviations

1.	CFO	-	Chief Financial Officer
2.	IDP	-	Integrated Development Plan
3.	MFMA	-	Municipal Finance Management Act No 56 of 2003
4.	MLM	-	Modimolle Local Municipality
5.	SDBIP	-	Service delivery and budget implementation plan
6.	CM	-	Council Minute's
7.	EXCO		Executive Committee

5. LEGAL FRAMEWORK

Constitution of RSA.

Municipal Systems Act no 32 of 2000.

Municipal Finance Management Act no 56 of 2003.

Municipal Budget and Reporting Regulations. GG32141 of 2009

National Treasury: MFMA Circular No 13 – Service Delivery and Budget Implementation Plan.

National Treasury: MFMA Circular No 51 – Municipal Budget Circular for 2010/11 MTREF.

6. SCOPE OF APPLICATIONS

The policy is applicable to all employees and Councillors of Modimolle Local Municipality.

7. OBJECTIVE

To allow limited flexibility in the use of budgeted funds to enable management to act on occasions such as disasters, unforeseen expenditure or savings, etc. as they arise to accelerate service delivery in a financially responsible manner.

8. PRINCIPLES

- 8.1 Virements should not be permitted in relation to the revenue side of the budget;
- 8.2 Virements between votes should be permitted where the proposed shifts in funding facilitate sound risk and financial management (e.g. the management of central insurance funds and insurance claims from separate votes);
- 8.3 Virements from the capital budget to the operating budget should not be permitted;
- 8.4 Virements towards personnel expenditure should not be permitted;

- 8.5 Virements to or from the following items should not be permitted: bulk purchases; debt impairment, interest charges; depreciation, grants to individuals, revenue foregone, insurance and VAT;
- 8.6 Virements should not result in adding 'new' projects to the Capital Budget;
- 8.7 Virements of conditional grant funds to purposes outside of that specified in the relevant conditional grant framework must not be permitted; and
- 8.8 There should be prudent limits on the amount of funds that may be moved to and from votes and sub-votes

9. CONTENTS

9.1 Virement Clarification

Virement is the process of transferring budgeted funds from one line item number to another, with the approval of the relevant Manager and CFO, to enable budget managers to amend budgets in the lights of experience or to reflect anticipated changes. (Section 28 (2) (c) MFMA).

9.2 Financial Responsibilities

- 9.2.1 Strict budgetary control must be maintained throughout the financial year in order that potential overspends and/or income under-recovery within individual vote departments is identified at the earliest possible opportunity (Section 100 MFMA).
- 9.2.2 The Chief Financial Officer has a statutory duty to ensure that adequate policies and procedures are in place to ensure an effective system of financial control. The budget virement process is one of these controls (Section 24(4) MFMA).
- 9.2.3 It is the responsibility of each manager or head of department or activity to which funds are allotted, to plan and conduct assigned operations so as not to expend more funds than budgeted. In addition, they have the responsibility to identify and report any irregular of fruitless and wasteful expenditure in terms of the MFMA section 78 and 102.
- 9.2.4 A copy of all budget transfer forms must be kept in the virement file, together with any supporting workings/e-mails by the Divisional Manager Budget and Reporting
- 9.2.5 Request for transfers of fund shall be done beforehand and not afterwards. In the case where the expenditure is authorized afterwards, the actions of the S57 manager will have to be condoned by Council. The council will have to consider the provisions of the MFMA regarding Unauthorized Expenditure and Irregular Expenditure.

9.3 Virement Restrictions

- 9.3.1 No funds may be transferred between votes without approval of both vote holders and the CFO and the Municipal Manager and Council.
- 9.3.2 A Virement may not create new policy, significantly vary current policy, or alter the approved outcomes/outputs as approved in the IDP for the current or subsequent years. (Section 19 and 21 MFMA)
- 9.3.3 Virements resulting in adjustments to the approved SDBIP need to be submitted with an adjustment budget to the Council with altered outputs and measurements for approval (MFMA Circular 13 page 3 paragraph 3)
- 9.3.4 No virement may commit the Municipality to increase recurrent expenditure, which commits the Council's resources in the following financial year, without the prior ap-

- proval of the Council.(This refers to expenditure such as entering into agreements into lease or rental agreements such as vehicles, photo copiers or fax machines)
- 9.3.5 No virement may be made where it would result in over expenditure.
(Section 32 MFMA)
- 9.3.6 No virement shall add to the establishment of the Municipality without the approval of Municipal Manager.
- 9.3.7 If the virement relates to an increase in the work force establishment, then the Council's existing recruitment policies and procedures will apply.
- 9.3.8 Virements may not be made in respect of ring-fenced allocations. E.g. this means virements may not be made from personnel expenditure to other operating expenditure and vice versa.
- 9.3.9 Virements of conditional grant funds to purposes outside of that specified in the relevant conditional grant framework is not permitted.
- 9.3.10 Budget transfers to or from the following items are not permitted: bulk purchases, debt impairment, interest charges, salaries, support service (interdepartmental) costs, capital financing, depreciation, contributions, insurance and VAT.
- 9.3.11 No virement may be made to entertainment votes or for catering above what was originally budgeted.
- 9.3.12. Virements may not exceed a maximum of 10% of the line item on the approved capital expenditure budget.
- 9.3.13 Virements may not exceed a maximum of 15% of the line item on the approved operating expenditure budget.
- 9.3.14 Virements in capital budget allocations are only permitted within specified action plans and not across funding sources.
- 9.3.15 No virements shall create new capital projects without approval of Council.
- 9.3.16 Virements from the capital budget to the operating budget are not permitted.
- 9.3.17 No virements are permitted in the first three months or the final month of the financial year without the express agreement of the CFO and the Municipal Manager and then only in extreme circumstances.
- 9.3.18 Virement amounts may not be rolled over to subsequent years, or create expectations on following budgets (Section 30 MFMA).
- 9.3.19 An approved virement does not give expenditure authority and all expenditure resulting from approved virements must still be subject to the procurement/supply chain management policy of Council as periodically reviewed.
- 9.3.20 Virements are not permitted in relation to the revenue side of the budget.

9.4 **Breakdown Of Votes**

For the purpose of the capital and operating budget, the following is classified as votes:

Executive and Council
Budget and Treasury
Social Services
Corporate Services
Technical Services
Planning Department
And any other department as may be approved by Council.

9.5. **Virement Procedure**

- 9.5.1 All virement proposals must be completed on the appropriate documentation and forwarded to the Divisional Manager Budget and Reporting for checking, after which it is submitted to the CFO and MM for approval and the back to the Divisional Manager Budget and Reporting for implementation.
- 9.5.2 All virements must be signed by the Manager within which the vote is allocated. (Section 79 MFMA)
- 9.5.3 A virement form (Budget Transfer Form) must be completed for all Budget Transfers.
- 9.5.4 All virements require the recommendation of the CFO and the Approval of the Municipal Manager. (Section 79 MFMA)
- 9.5.5 All virements must include changes to the SDBIP, especially on the capital works plan of projects.
- 9.5.6 All documentation must be in order and approved before any expenditure (including the order) can be committed or incurred.(Section 79 MFMA)

9.6 Delegations on Capital Budgets

A Capital Budget is approved per line items or per project. This in effect means that council does not allow any discretion to an official other than delivering on the decision. Any saving or shortfall must be reported to council for them to decide on the future utilization of the savings as well as to seek additional funds for the execution of a project in the case of a shortfall in the budgeted amount to complete the project. If however, a transfer is needed between two projects within the same priority/department and the transfer is less than 10% of the voted, this can be done with the approval of the Municipal Manager.

9.7. Delegations On Transfers

A vote in terms of the National guidelines is determined as one of the main segments into which a budget of a municipality is divided into for the appropriation of funds. In MLM, a vote is a Department in the operating and capital budget and the Municipal Manager can only be delegated to approve shifting of funds within a department. As far as the reallocation of funds between departments is concerned, it cannot be delegated and Council has to decide on these items in the Adjustment Budget annually.

10. IMPLEMENTATION

This policy will be implemented and become effective once recommended by the EXCO and approved by Council.

11. COMMUNICATION

This policy will be communicated to all Municipal Councilors and managers using the full range of communication methods available to the municipality.

12. BUDGET AND RESOURCES

The financial and resource implications will be considered as a in house expenditure

13. ROLES AND RESPONSIBILITIES

- 13.1 The line manager requesting the budget transfer complete Page 1 of the Budget Transfer Form obtained from the Divisional Manager: Budget and Reporting and submit to the manager for recommendation.
- 13.2 The Divisional Manager: Budget and Reporting process the applications by verifying the vote numbers and budgets available.
- 13.3 The form goes to the CFO for approval
- 13.4 After the CFO approved the application the MM gives the final approval.
- 13.5 The Divisional Manager: Budget and Reporting captures the application on the financial system.

14. RECORD KEEPING

All Budget Transfer Forms will be filled in the Budget and Reporting Office.

15. DISPUTE RESOLUTION

Any dispute arising from the application for a Virement will be referred to the CFO.

16. PENALTIES

Non-compliance to any of the stipulation contained in this policy will be regarded as misconduct, which will be dealt with in terms of the Disciplinary Code.

17. POLICY REVIEW

This policy will be reviewed annually and revised as necessary.

18. ANNEXURES

Budget transfer form.

3. INVESTMENT POLICY

1. PREAMBLE

The purpose of the policy is to ensure that all investments made by Modimolle Local Municipality (MLM) comply with the Investment Regulations issued by National Treasury in terms of the Municipal Finance Management Act No 56 of 2003.

Council needs to ensure that monies not immediately required are invested to obtain fair returns without compromising provision of basic municipal services, the safety of the surplus cash invested and liquidity.

2. OBJECTIVE

The objectives of the policy are as follows

- Ensuring that cash resources are managed effectively and efficiently.
- Ensuring that investments are placed with reputable institutions for the purpose of capital investments and diversification of the Investment Portfolio.
- Ensuring that adequate liquidity is maintained at all times for management of cash flows.
- Ensuring that MLM receives optimal interest on its investments with financial institutions at minimal risk.

3. SCOPE OF APPLICATION

This policy is applicable to the Council, Accounting Officer, Chief Financial Officer and employees of MLM who have been delegated with the authority by the Accounting Officer to invest the funds of MLM.

This policy will also be applicable to any investment manager who acts on behalf of, or assists MLM or municipal entity in managing its investments.

4. DEFINITIONS

Accounting Officer	-	Municipal Manager of MLM
Chief Financial Officer	-	A person designated in terms of section 80(2)(a) of the MFMA
Councillor	-	Member of MLM Municipal Council;
Delegation	-	In relation to a duty, includes an instruction or request to perform or to assist in performing the duty;
Investment	-	In relation to funds of a municipality, means— (a) the placing on deposit of funds of a municipality with a financial institution; or (b) the acquisition of assets with funds of a municipality not immediately required, with the primary aim of preserving those funds;

Investment manager	-	<p>A natural person or legal entity that is a portfolio manager registered in terms of the Financial Markets Control Act, No 55 of 1989, and Stock Exchanges Control Act, No 1 of 1985, contracted by MLM to:</p> <ul style="list-style-type: none"> - advise on investments; or - manage investments on its behalf. <p>Investment Regulations-The Regulations as prescribed under the MFMA through Government Gazette No 27431 dated 1 April 2005</p>
Liquidity	-	The financial ability of MLM to service its debts when falling due.
Long-term investment	-	Any cash or liquid securities owned by MLM which have a maturity date that is greater than one year.
MFMA	-	The Local Government: Municipal Finance Management Act, No 56 of 2003
Municipal Manager	-	A person appointed by the Municipality in terms of Section 82 of the Municipal Structures Act, and who is the Head of Administration and also the Accounting Officer for the Municipality.
Primary bank account	-	A bank account referred to in section 8(1) of the MFMA;
Short-term investment	-	Any cash or liquid securities owned by MLM which have a maturity date that is equal to or less than one year.
Standards of Generally Recognized Accounting Practice –		<p>An accounting practice complying with standards applicable to municipalities or municipal entities and issued in terms of Chapter 11 of the Public Finance Management Act;</p>
MLM	-	Modimolle Local Municipality as established in terms of the Municipal Structures Act 117 of 1998.

5. **LEGISLATIVE REQUIREMENTS**

In terms of MFMA section 7(3), a municipality may not open a bank account—

(a) abroad;

- (b) with an institution not registered as a bank in terms of the Banks Act, 1990 (Act No. 94 of 1990); or
- (c) otherwise than in the name of the municipality.

In terms of MFMA Section 13:

- (1) The Minister, acting with the concurrence of the Cabinet member responsible for local government, may prescribe a framework within which municipalities must—
 - (a) conduct their cash management and investments; and
 - (b) invest money not immediately required.
- (2) A municipality must establish an appropriate and effective cash management and investment policy in accordance with any framework that may be prescribed in terms of subsection (1).

National Treasury, through Government Gazette No 27431, published Municipal Investment Regulations, which municipalities were required to apply as guidelines when preparing a Cash Management and Investment Policy with effect from 1 April 2005.

6. AUTHORITY

In terms of MFMA section 10

- (1) The accounting officer of a municipality—
 - (a) must administer all the municipality's bank accounts, including a bank account referred to in section 12 or 48(2)(d);
 - (b) is accountable to the municipal council for the municipality's bank accounts;
- (2) The accounting officer may delegate the duties referred to in subsection (1)(c) to the municipality's chief financial officer only.

In terms of MFMA section 11(1), only the accounting officer or the chief financial officer of a municipality, or any other senior financial official of the municipality acting on the written authority of the accounting officer, may withdraw money or authorise the withdrawal of money from any of the municipality's bank accounts for cash management and investment purposes in accordance with section 13;

The delegation to the Chief Financial officer or any other senior financial officials of the municipality will be in terms of Section 79 of the MFMA and Section 59 of Local Government: Municipal Systems Act No 32 of 2000.

The Municipal Council is vested with the authority to make long-term investments in terms of Section 48 of the MFMA.

7. STANDARD OF CARE TO BE EXERCISED

Investments –

- a) must be made with such judgment and care, under the prevailing circumstances, as a person of prudence, discretion and intelligence would exercise in the management of that person's own affairs;
- b) may not be made for speculation but must be a genuine investment, and
- c) must in the first instance be made with primary regard being to the probable safety of the investment, in the second instance to the liquidity needs of the municipality or municipal entity and lastly to the probable income (yield) derived from the investment.
- d) Investments must be placed with institutions listed in paragraph 8 below.

8. PERMITTED INVESTMENTS

The following are permitted investments:

- a. securities issued by the national government,
- b. listed corporate bonds with an investment grade rating from a nationally or internationally recognized credit rating agency,
- c. deposits with banks registered in terms of the Banks Act, 1990 (Act No. 94 of 1990),
- d. deposits with the Public Investment Commissioners as contemplated by the Public Investment Commissioners Act, 1984 (Act No. 45 of 1984),
- e. deposits with the Corporation for Public Deposits as contemplated by the Corporation for Public Deposits Act, 1984 (Act No. 46 of 1984),
- f. banker's acceptance certificates or negotiable certificates of deposit of banks registered in terms of the Banks Act, 1990,
- g. guaranteed endowment policies with the intention of establishing a sinking fund,
- h. repurchase agreements with banks registered in terms of the Banks Act, 1990,
- i. municipal bonds issued by a municipality, and
- j. any other investment type as the Minister may identify by regulation in terms of section 168 of the MFMA, in consultation with the Financial Services Board.

9. INVESTMENTS DENOMINATED IN FOREIGN CURRENCIES PROHIBITED

An investment can only be made if the investment is denominated in Rand and is not indexed to, or affected by, fluctuations in the value of the Rand against any foreign currency.

10. PAYMENT OF COMMISSION

- i. No fee, commission or other reward may be paid to a councillor or official or to a spouse or close family member of such councillor or official in respect of any investment made.
- ii. If Council pays any fee, commission or other reward to an investment manager in respect of any investment made, both Council and the investment manager must declare such payment to council by way of a certificate disclosing full details of the payment.

11. PROCEDURES FOR INVESTING FUNDS

- a) Quotations should be obtained from at least 3 financial institutions for the term for which the investment is placed. In the event of one of the financial institutions offering a more beneficial rate for an alternative term, the other institutions should be invited to quote on the alternative term as well.

- b) Upon maturity of an investment, the bank balance is obtained. Future commitments are determined and any money in excess of **R 10 million** that is not required immediately should be invested.
- c) Investments should be reinvested within 24 hours after maturing.
- d) Written quotations must be obtained from the list of qualified institutions. Interest rates from one institution may not be disclosed to another institution.
- e) The period of investment should be determined in accordance with the liquidity needs and maturity dates of other investments.
- f) The investments of MLM should be spread over multiple qualified institutions as a method of decreasing exposure risk.
- g) The factors taken into account when deciding on an investment thus is the liquidity needs of MLM ensuring that the investment maturity dates are spread over time, the interest rates of various institutions and the total amount invested with the various qualified institutions.
- h) The quotation sheet must be authorized by the Chief Financial Officer or Municipal Manager.
- i) Once an investment is made a certificate or written confirmation must be obtained from the financial institution.
- j) the following functions must be carried out on a monthly basis or as the investment matures:
 - I. Obtain statements on a monthly basis regarding the investments from the relevant financial institutions.
 - II. Interest must be recalculated so as to ensure that it agrees to the rates per the statements.
 - III. Interest received must be captured on the financial system and reconciled to the investment register and general ledger.
 - IV. The investment register must be updated on a monthly basis.

12. PROCEDURES FOR WITHDRAWING INVESTMENTS

- a) The council's liquidity needs must be assessed by the Chief Financial Officer before any investments are withdrawn.
- b) Only the accounting officer or the chief financial officer of the municipality, or any other senior financial official of the municipality acting on the written authority of the accounting officer, may withdraw money or authorize the withdrawal of money from any investment account.
- c) The financial institution must be informed in writing, on a MLM letterhead, with the following information on it:
 - I. The financial institutions name and address
 - II. The investments number.
 - III. The amount being withdrawn.
 - IV. The effective date.
 - V. The signatures of the authorized officials.
- d) All investments being withdrawn must be paid into the primary bank account of MLM.

13. REPORTING REQUIREMENTS

- 1. The Municipal Manager must within 10 working days of the end of each month, as part of the section 71 report required by the MFMA, submit to the Mayor a report describing in accordance with generally recognized accounting practice (GRAP) the investment portfolio as at the end of the month.
- 2. The report referred to in sub-paragraph 10.1 must set out at least –
 - (a) the market value of each investment as at the beginning of the reporting period,
 - (b) any changes to the investment portfolio during the reporting period,
 - (c) the market value of each investment as at the end of the reporting period, and
 - (d) fully accrued interest and yield for the reporting period.

3. A register of investments is kept in the Budget & Treasury Office reflecting the following information:
 - (a) Date of investment
 - (b) Amount of investment
 - (c) Institution invested with
 - (d) Rate of interest
 - (e) Period of investment
 - (f) Amount of return/interest
 - (g) Maturity Date
4. This register is to be reconciled monthly and reported on.
- 4.1 In complying with Section 70(2) of the MFMA, the Chief Financial Officer must report to National/Provincial Treasury and Council whenever the consolidated bank balances shows a net overdrawn balance for a period exceeding 14 working days.

Such report must provide:

 - (a) The amount by which the accounts are overdrawn
 - (b) Reasons for the overdrawn accounts, and
 - (c) Steps taken or to be taken to correct the situation.

14. CREDIT REQUIREMENTS

- (1) Council must take all reasonable and prudent steps consistent with its investment policy and according to the standard of care set out in paragraph 5, to ensure that it places its investments with institutions permitted in paragraph 8 above. .
- (2) Council must -
 - (a) regularly monitor its investment portfolio, and
 - (b) when appropriate liquidate an investment that no longer has the minimum acceptable credit rating.

15. PORTFOLIO DIVERSIFICATION

Council will take all reasonable and prudent steps to diversify its investment portfolio across institutions, types of investment and investment maturities.

16. INVESTMENT MANAGER/ADVISOR

An investment advisor who is appointed through MLM Supply Chain Management Policy may be used for investments exceeding R 20 million. However, the institution and type of investments must be approved by Council.

17. MISCELLANEOUS PROVISIONS

- (1) The responsibility and risk arising from any investment transactions vests in Council.
- (2) All investments made must be in the name of Modimolle Local Municipality.
- (3) Council may not borrow money for the purpose of investment.

18. IMPLEMENTATION

This policy must be implemented by the Chief Financial Officer and employees of MLM who have been delegated with the authority by the Accounting Officer to invest the funds of Modimolle Local Municipality.

Any employee who breaches this policy shall be liable for disciplinary measures.

19. EFFECTIVE DATE

This policy will be effective from the date approved by Council.

4. ASSET MANAGEMENT

PURPOSE

The purpose of this policy is to ensure the economic, efficient and effective control, utilisation, safeguarding and management of Council's assets. This policy significantly revises the existing policy dated 14 February 2008. The significant revision arises from the following developments:

- The intention of the Modimolle Municipality to implement and comply with Standards of Generally Recognised Accounting Practice (GRAP) for the 2008/09 financial year. For the purpose of this revised policy, the applicable standard is GRAP 17 and to some extent GRAP 16.
- The intention to comply with the Asset Transfer Regulations as contained in National Treasury Gazette Number 31346 issues on 22 August 2008.

BACKGROUND

Constitutional And Legal Framework

The South African Constitution requires municipalities to strive, within their financial and administrative capacity, to achieve the following objects:

- providing democratic and accountable government for local communities;
- ensuring the provision of services to communities in a sustainable manner;
- promoting social and economic development;
- promoting a safe and healthy environment; and
- encouraging the involvement of communities and community organisations in matters of local government.

The manner in which a municipality manages (its fixed) assets is central to meeting the above challenges. Accordingly, the Municipal Systems Act (MSA) specifically highlights the duty of municipalities to provide services in a manner that is sustainable, and the Municipal Finance Management Act (MFMA) requires municipalities to utilise and maintain their assets in an effective, efficient, economical and transparent manner. The MFMA specifically places responsibility for the management of municipal assets with the Municipal Manager.

The Occupational Health and Safety Act (OHSA) requires municipalities to provide and maintain a safe and healthy working environment, and in particular, to keep its assets safe.

Accounting standards

The accounting standards that apply to municipalities are in transition. The MFMA requires municipalities to comply with the Standards of Generally Recognised Accounting Practice (GRAP), in line with international practice. The Accounting Standards Board (ASB) has approved a number of Standards of Generally Recognised Accounting Practice (GRAP) which replaced the Generally Accepted Municipal Accounting Practice (GAMAP).

GRAP 17 on Property, Plant and Equipment is the critical accounting standard that provides guidance on the recognition, measurement, presentation and disclosure of items of PPE in the financial statements of municipalities and municipal entities. Other related standards are Grap 12 and 16 on Inventories and Investment Property, respectively.

Key changes include the recognition of depreciation of assets as an expense, and grants as revenue. A Government Grants Reserve, Donations and Public Contribution Reserve and Capitalisation Reserve need to be established, based on the source of funding of assets. Immovable assets need to be unbundled and each significant component is individually recognised and accounted for. In cases where there is an active and liquid market for assets (such as offices and vehicles) valuation is on a market basis, whereas specialised buildings (such as community facilities) and infrastructure (such as a water supply network) are valued using a depreciated replacement cost. Significant changes in the value of property, plant and equipment over time need to be reflected through periodic revaluation. Modimolle Municipality intends converting to GRAP in the 2008/09 financial year. As a low capacity municipality certain transitional provisions will apply when implementing the relevant GRAP standards that deal with assets.

MANAGEMENT OF INFRASTRUCTURE ASSETS

Effective management of infrastructure and community facilities is central to the municipality providing an acceptable standard of services to the community. Infrastructure impacts on the quality of the living environment and opportunities to prosper. Not only is there a requirement to be effective, but the manner in which the municipality discharges its responsibilities as a public entity is also important. The municipality must demonstrate good governance and customer care, and the processes adopted must be efficient and sustainable. Councillors and officials are custodians on behalf of the public of infrastructure assets, the replacement value of which amounts to several hundred million Rands.

Key themes introduced in national legislation relating to municipal infrastructure management include:

- long-term sustainability and risk management;
- service delivery efficiency and improvement;
- performance monitoring and accountability;
- community interaction and transparent processes;
- priority development of minimum basic services for all; and
- provision of financial support from central government in addressing the needs of the poor.

Legislation has also entrenched the Integrated Development Plan (IDP) as the principal strategic planning mechanism for municipalities. However, the IDP cannot be compiled in isolation for the above objectives to be achieved. The IDP needs to be informed by robust, relevant and holistic information relating to the management of the municipality's infrastructure.

There is a need to direct limited resources to address the most critical needs, to achieve a balance between maintaining and renewing existing infrastructure whilst also addressing backlogs in basic services and facing ongoing changes in demand. Making effective decisions on service delivery priorities requires a team effort, with inputs provided by officials from a number of departments of the municipality, including infrastructure, community services, financial planning, and corporate services.

DPLG has prepared guidelines in line with international practice, that propose that an Infrastructure Asset Management Plan (IAMP) is prepared for each sector (such as potable water, roads etc). These plans are used as inputs into a Comprehensive Infrastructure Plan (CIP) that presents an integrated plan for the municipality covering all infrastructures. This is in line with the practice adopted in national and provincial spheres of government in terms of the Government-wide Immovable Asset Management Act (GIAMA).

Accordingly, the asset register adopted by a municipality must meet not only financial compliance requirements, but also set a foundation for improved infrastructure asset management practice.

OBJECTIVES

The objective of this policy is for the municipality to:

- implement accrual accounting in terms of prevailing accounting standards; and
- apply asset management practice in a consistent manner and in accordance with legal requirements and recognised good practice.

APPROVAL AND EFFECTIVE DATE

The Municipal Manager is responsible for the submission of this document to Council to consider its adoption. Council shall indicate the effective date for implementation of the policy.

KEY RESPONSIBILITIES

Municipal Manager

In terms of Section 63 of the MFMA, the Municipal Manager is responsible for the management of the assets of the municipality, including the safeguarding and the maintenance of those assets.

The Municipal Manager shall ensure that:

- An Asset Management Committee is established, through which all asset processes and procedures will be implemented.
- The municipality has and maintains a management, accounting and information system that accounts for the assets of the municipality;
- The municipality's assets are valued in accordance with the standards of generally recognised accounting practice (GRAP);
- The municipality has and maintains a system of internal control of assets, including an asset register; and
- The Senior Managers and their teams comply with this policy.

As Accounting Officer of the municipality, the Municipal Manager shall be the principal custodian of all the municipality's fixed assets, and shall be responsible for ensuring that this policy is effectively applied on adoption by Council. To this end, the Municipal Manager shall be responsible for the preparation, in consultation with the CFO and Senior Managers, of procedures to effectively and efficiently apply this policy.

Chief Accounting Officer

The Chief Financial Officer (CFO) is responsible to the Municipal Manager to ensure that the financial investment made in the municipal assets is safeguarded and maintained.

The CFO, as one of the Senior Managers of the municipality, shall also ensure, in exercising his/her financial responsibilities, that:

- Appropriate systems of financial management and internal control are established and carried out diligently;
- The financial and other resources of the municipality are utilized effectively, efficiently, economically and transparently;
- Any unauthorized, irregular or fruitless or wasteful expenditure, and losses resulting from criminal or negligent conduct, are prevented;
- All revenue due to the municipality is collected, for example rental income relating to assets;
- The systems, procedures and registers required to substantiate the financial values of the municipalities' assets are maintained to standards sufficient to satisfy the requirements of the Auditor-General;
- Financial processes are established and maintained to ensure the municipality's financial resources are optimally utilized through appropriate asset plans, budgeting, purchasing, maintenance and disposal decisions;
- The Municipal Manager is appropriately advised on the exercise of powers and duties pertaining to the financial administration of assets;
- The Senior Managers and senior management teams are appropriately advised on the exercise of their powers and duties pertaining to the financial administration of assets;
- This policy and support procedures are established, maintained and effectively communicated.

The CFO may delegate or otherwise assign responsibility for performing these functions but will remain accountable for ensuring these activities are performed. The CFO shall be the fixed asset registrar of the municipality, and shall ensure that a complete, accurate and up-to-date computerised fixed asset register is maintained. No amendments, deletions or additions to the fixed asset register shall be made other than by the CFO or by an official acting under the written instruction of the CFO.

Asset Management Committee

The Asset Management Committee (AMC) shall ensure that:

- The policy and procedures are adhered to and reviewed annually.
- The Committee meets at least monthly to review and monitor the status of assets in the municipality at strategic, institutional, operational and financial levels.

Senior Managers

Senior Managers (the managers directly accountable to the Municipal Manager) shall ensure that:

- Appropriate systems of physical management and control are established and carried out for all fixed assets;
- The municipal resources assigned to them are utilized effectively, efficiently, economically and transparently;
- Procedures are adopted and implemented in conformity with this policy to produce reliable data to be captured into the municipal asset register;
- Any unauthorised, irregular or fruitless or wasteful utilisation, and losses resulting from criminal or negligent conduct, are prevented;
- The asset management system, processes and controls can provide an accurate, reliable and up to date account of assets under their control;
- They are able to manage and justify that the asset plans, budgets, purchasing, maintenance and disposal decisions optimally achieve the municipality's strategic objectives; and
- Manage the asset life-cycle transactions to ensure that they comply with the plans, legislative and municipal requirements.

The Senior Managers may delegate or otherwise assign responsibility for performing these functions but they shall remain accountable for ensuring these activities are performed.

POLICY AMENDMENT

Changes to this document shall only be applicable if approved by Council. Any proposals in this regard shall be motivated by the Municipal Manager in consultation with the CFO and respective Senior Managers. These recommendations shall be considered for adoption by Council.

RELATIONSHIP WITH OTHER POLICIES

This policy, once effective, will replace the pre-existing Asset Management Policy.

This policy needs to be read in conjunction with other relevant policies of the municipality, including the following adopted documents:

- Delegations Register
Identifying the processes surrounding the establishment of delegated authority.
- SCM policy
Regulating all processes and procedures relating to acquisitions, management and disposal of assets
- Budget policy
The processes to be followed during the budget process as well as pre-determined prioritisation methodology,
- Revenue and tariff policy
Identifying tariff setting methodology
- Accounting Policy
Governed by the Accounting standards, the accounting policy determines the basis for recognition, measurement and recording of all transactions.

REFERENCES

The following references were observed in compiling this document:

- Asset Management Framework, National Treasury, 2004
- Municipal Asset Transfer Regulations, Gazette 31346 issued 22 August 2008
- Guidelines for Infrastructure Asset Management in Local Government, Department of Provincial and Local Government, 2006
- Municipal Finance Management Act, 2003
- Disaster Management Act, 2002
- Municipal Systems Act, 2000
- Municipal Structures Act, 1998
- Accounting Standards Board
- MFMA Circular 18, 36 & 44
- Local Government Capital Asset Management Guidelines, National Treasury, 2008
- Government Gazettes (30013 & 31021)
- Generally Recognised Accounting Practice (1-14, 16, 17, and 100-102).

- Generally Accepted Municipal Accounting Practice (GAMAP 17)
- International Accounting Standards (IAS 16)

5. INDIGENT POLICY

(a) PREAMBLE

Where as the municipality commit to provide support to the indigents households. The committee will be appointed to administer the indigent support programme. This committee will assist in scrutinising each application prior to approval.

(b) OBJECTIVES

To ensure that these households have access to at least basic municipal services, and is guided in the formulation of this policy by the national government's policy in this regard.

(c) DEFINITIONS

In this policy a word or phrase to which a meaning has been assigned in **Section 1.0 on definitions** has that meaning, unless the context otherwise indicates.

(d) WHO QUALIFIES FOR INDIGENT SUPPORT

Households where verified total gross monthly income of all occupants over 18 years of age does not exceed R2 200, or such other amount as the council may from time to time determine, qualify for a subsidy on property rates and service charges for sewerage and refuse removal, and will additionally receive 6kl of water per month and 75kWh of electricity per month free of charge.

Only households where the accountholder or property owner has registered as indigent in terms of the municipality's annual registration programme, and whose registration has been accepted and entered into the register of indigents shall qualify for the above concessions.

For a household to qualify for subsidies or rebates on the major service charges (see part 3 below), the registered indigent must be the full-time occupant of the property concerned, may not own any other property, whether in or out of the municipal area.

For a household to qualify for a rebate on rates, the registered indigent must be both the owner and fulltime occupant of the property concerned, and may not own any other property, whether in or out of the municipal area.

Indigence relief shall apply for a period not extending beyond the financial year in which the particular household is registered as indigent. Registration must be renewed in each registration programme if relief is to continue.

To register as an indigent, the relevant property owner or accountholder must personally complete and sign the registration form provided by the municipality for this purpose, and furnish such further documentation as the municipality specifies. The municipal manager will provide assistance to persons who cannot read or write, at such times and places as are specified in the notices published to indicate that the registration programme is to take place. Registration will take place on dates and at places determined by the council, but shall generally be undertaken during January and/or February each year.

(e) APPLICATION OF THE POLICY

The subsidies on rates and the specified service charges will be determined as part of each annual budget and in terms of the municipality's policies on property rates and tariffs.

In respect of water, a 100% subsidy up to 6kl per household per month will apply; however, if consumption exceeds 6kl per metering period (month) the consumer will be charged at normal tariffs for actual consumption on the quantity exceeding 6kl.

In respect of electricity, a 100% subsidy up to 75kWh per household per month will apply; however, if consumption exceeds 75kWh per metering period (month), the consumer will be charged at normal tariffs for actual consumption on the quantity exceeding 75kWh.

In respect of sewerage charges and charges for household refuse removal, the relief granted shall not be less than a rebate of 50% on the monthly amount billed for the service concerned.

In respect of property rates, the rebate shall be 100% of the rates based on the rateable value up to R30 000 and 75% of the rates based on the rateable value above R30 000.

(f) NON-COMPLIANCE OF HOUSEHOLDS REGISTERED AS INDIGENT

When a property owner or accountholder who has registered as an indigent fails to comply with any arrangements or conditions materially relevant to the receipt of indigence relief, such person will forfeit his or her status as a registered indigent with immediate effect, and will thereafter be treated as an ordinary residential property owner or accountholder for the financial year concerned.

The onus is on each registered indigent to advise the municipal manager of such failure to comply.

It may happen that even with the introduction of the indigent policy, certain households may fall into arrears in respect of the amounts due by them. The property owner or accountholder concerned will have to make immediate arrangements with the municipal manager to pay off these arrears owing within a reasonable time determined by the municipal manager in terms of the municipality's credit control and debt collection policy. If these arrangements are not made, no subsidies will be paid or free services provided, and services may be terminated in terms of the municipality's credit control and debt collection policy.

The relief to indigents may be withdrawn at the discretion of the municipal manager if:

- A registered indigent who qualifies for such relief fails to keep to the terms of the policy agreement; or
- Any tempering with the installations of the municipality is detected.

If a registered indigent is found to have provided fraudulent information to the municipality in regard to any material condition for registration as an indigent, such person shall immediately be removed from the register of indigents, and shall be liable to repay to the municipality with immediate effect all indigence relief received from the date of such fraudulent registration. Moreover, such person may not again be considered for indigence relief for a period extending for 5 (five) years beyond the financial year in which the misdemeanour is detected.

Indigence relief will not apply in respect of property owners owning more than one property, whether in or outside the municipal area.

(g) REPORTING REQUIREMENTS

The municipal manager shall report on a monthly basis to the executive mayor or executive committee, as the case may be, for the month concerned and by municipal ward:

- The number of households registered as indigents and a brief explanation of any movements in such numbers;
- The monetary value of the actual subsidies and rebates granted;
- The budgeted value of the subsidies and rebates concerned; and the above information cumulatively for the financial year to date.

The executive mayor or executive committee, as the case may be, shall submit the above reports on a quarterly basis to the council and to the municipality's ward committees if so requested.

6. TRAVELING ALLOWANCE POLICY

1. SCOPE

The Modimolle Local Municipality has at their disposal vehicle subsidy scheme, wherein the council budgets for subsidies in regard to the applications received.

All applicants must complete a formal application and must be approved by the Municipal Manager.

Section 167 of Municipal Finance Act prohibits the issue of loans to councilors and members of the public.

The terms of this policy shall be observed by Modimolle Local Municipality and employees in its employment.

2. PERIOD OF THE POLICY

This policy shall come into operation on the date as determined by the Council.

3. OBJECTIVES OF THE POLICY

The objectives of the Policy is to provide the following

- 3.1 A policy that is fair towards both Council and the employee and is primarily focused to compensate the employee for travel expenditure
- 3.2 Uniform guidelines, conditions and limitations in terms of which the Policy is to be run.
- 3.3 The basis of compensation and benefits in respect of employees who utilize private transport in the execution of their official duties, where no official transport is available and/or where prior arrangements have been made with an employee to utilize private transport for official purposes.

4. PARTICIPATION

Employee who qualifies to participate in motor vehicle allowance are those occupying transport allowance bearing posts including the Municipal Manager and the Section 57 Managers.

5. MOTOR VEHICLE ALLOWANCE

Granting of Vehicle Allowance

Municipality no longer offer subsidy but travel allowances. The employee will be expected to enter into agreement with any dealer or their choice.

This granting of vehicle allowance is subject to the following conditions and limitations:

1. **Qualifying requirements**

- Vehicle allowance are granted to employee whose employment contracts make provision for this purpose and to incumbents of transport allowance bearing post only., consequently, employees receiving casual or ad hoc transport allowances do not qualify for vehicle allowance.

2. **Vehicle choice**

- With due regard to the limitations contained in this Policy, the choice of vehicle to be purchased by and employee for daily use in the execution of his/her official duties, rests with the employee.
- The purchase of second- hand vehicles is subject to the issue of a Roadworthy Certificate.

5.1 “**Fixed transport allowance**” means affixed monthly transport allowance applicable to incumbents of post level 1, 2 & 3 on the permanent service register of the Municipality.

5.2 “**An allowance bearing position**” means a position, other than referred to in paragraph 3.1, on the permanent service register of the Municipality to which a fixed monthly transport allowance is attached after Council has declared such a position as an “allowance bearing position” by means of a formal Council Resolution.

5.3 “Engine capacity” for purposes of this Policy will be calculated at actual engine capacity to a maximum of 2500 cc.

5.4 “Fixed cost” means the tariff in cents per kilometer as determined by the salary notch of the official concerned, calculated at the AA tariff and will change on an annual basis when employee salary increases.

5.5 “Official distance” means the distance in kilometers traveled for official purposes by an employee in Council's employment, excluding distances between place of work and residence.

5.6 “Running cost” means tariff in cents per kilometer traveled by employees as per AA tariff table.

- Cost of fuel in relation to the vehicle's engine capacity
- Maintenance cost
- Tyres

The tariff shall be revised as and when it is adjusted by the AA

5.7 “Day” means working day in the service of the Municipality.

5.8 “Private transport” represents that private vehicle used by an employee for official purposes as indicated in writing by the employee on the day the employee qualifies for a fixed monthly transport allowance.

6. **REQUIREMENTS FOR PARTICIPATION**

6.1 Participation is dependant on the primary requirement that the use of a private vehicle will be more beneficial than the provision of an official vehicle. An employee must furthermore comply with the following requirements for participation, namely:

6.1.1 A minimum distance of 300 kilometer per month must be traveled for official purposes;

6.1.2 The use of transport solely by the employee must be necessary for the execution of the duties by the relevant employee;

6.1.3 A private vehicle must be available on a daily basis for official use;

6.2 An employee who complies with the abovementioned requirements and who, on application and with the concurrence of the Municipality, uses a private vehicle for the execution of official duties, is policy participant and is therefore entitled to the specified Policy benefits, but is also subject to the conditions and limitations imposed by the policy.

6.3 An employee who, in terms of the above requirements, does not qualify for participation can, at the request of the Council, use a private vehicle whether for temporary or occasional official trips, and be compensated therefore.

6.4 Participation in the Policy is thus determined and limited by cost advantages and economical consideration. It is therefore the responsibility of the Municipality to determine to what extent private transport shall be utilized for official purposes.

7. CLASSIFICATION OF TRANSPORT ALLOWANCES

Provision is made in this policy for the payment of a transport allowance for the use of private for continuous, temporary or occasional trips for the fulfilling of official duties. The transport allowance compensates an employee in a transport allowance bearing position for financing, insurance and running cost expenditures, which enables such a participant to make his/her own financing arrangements for the purchasing of a vehicle.

For classification purposed, the following two types of transport allowance are identified:

- Fixed monthly transport allowance
- Temporary or occasional transport allowance(Ad hoc)

7.1 A FIXED TRANSPORT ALLOWANCE

This allowance is intended for the following positions on the permanent service register of the Municipality and will be paid monthly to the employee.

- | | | |
|-------------------------|---|--------------------------|
| • Job level 1 | = | 850 km p/m |
| • Job level 2 | = | 750 km p/m |
| • Job level 3 | = | 650 km p/m |
| • Job level 4 and lower | = | as determined by Council |

A fixed monthly transport allowance consists of the following elements:

- A fixed financing and insurance allowance
- A running cost allowance
- That the fixed cost be calculated on 10 000 km per year for all employees who receive an allowance.
- The fixed monthly transport allowance for the basic distance allocated to the positions mentioned above is paid monthly to an employee irrespective of kilometers traveled for official purposes. For all kilometers traveled for official purposes, the employee must be compensated in

accordance with the tariff for running cost for the actual distance traveled, over and above his/her fixed monthly transport allowance.

- 7.1.1 That no official transport is provided to such incumbents.
- 7.1.2 That residence to place of work journeys do not form part of the allowance.
- 7.1.3 That all other requirements contained in this policy are complied with.
- 7.1.4 That where circumstances justify or require that the restrictions contained in Section 6.1 of the Scheme be amended, it must be done by means of a formal Council Resolution.
- 7.1.5 Council will only pay traveling allowance on official vehicle with an engine capacity to a maximum of 2500cc.

7.2 TEMPORARY OR OCCATIONAL TRANSPORT ALLOWANCE (AD HOC TRANSPORT ALLOWANCE)

Any request for an Ad hoc transport allowance must be verified with the Manager Financial Services, by the Departmental Manager concerned or Municipal Manager and must include the reason(s) for the journey as well as the exact distance to be travelled.

Ad hoc transport allowance are payable in the following cases:

- 7.2.1 Where temporary or casual official journeys are undertaken by employees using their own private transport and who are not in receipt of transport allowance.
- 7.2.2 Where an employee is on an approved official journey for Council.

7.3 DETERMINATION OF DISTANCES

7.3.1 CURRENT OR NEW APPLICATIONS (Job level 4 and lower)

The following procedure will apply in the determination of a fixed total monthly kilometer distance in respect of an application by an employee to declare his/her post "An allowance bearing position".

- 7.3.1.1 The employee in the specific position must maintain a daily official kilometer distance return (log sheet) for a period of 3 months for all official journeys. This log sheet must be approved by the Departmental Manager concerned. The kilometers traveled in such period must be divided by three to determine an average monthly official kilometer distance and rounded off to the nearest 50km.
- 7.3.1.2 The application to Council must be lodged by way of a motivated report by the manager of the Department concerned.
- 7.3.1.3 Should Council approve the application, the date of implementation shall be the first of the month following the date of approval.
- 7.3.1.4 During the period as contemplated in Clause 7.3.1.1, the employee will be reimbursed by way of an Ad hoc transport allowance as depicted in Clause 7.2

7.4 CURRENT BENEFICIARIES OF A TRANSPORT ALLOWANCE

The following procedure will apply in the re- determination of the fixed total monthly kilometer distance in respect of an employee currently in receipt of a transport allowance:

- 7.4.1 Should Council or the incumbent of a transport allowance bearing position requires a re- determination of the fixed total monthly kilometer distance connected to a position, a written notice must be given to the particular Department Manager. Immediately after the expiring of seven days of serving such notice, the particular employee must continue to maintain a daily return of all official journeys for a period of three months.
- 7.4.2 The log sheet must be approved by the relevant Department Manager. The kilometers traveled in such period must be divided by three to determine an average monthly official kilometer distance rounded off to the nearest 50 km.
- 7.4.3 The application must be lodged by way of a motivated report to Council by the Department Manager concerned.
- 7.4.4 Should Council approve a new km limit, the date of implementation shall be the first of the month following the date of approval.

7.5 CALCULATIONS OF TRANSPORT ALLOWANCES

7.5.1 BASIS OF COMPENSATION

- Sec 57 and Councilors = Department of Transport tariffs
- Employees = AA tariffs

7.5.2 FORMULA FOR CALCULATION

7.5.2.1 Fixed transport allowance

Will be determined from:

A= monthly transport allowance

B= the total fixed cost as reflected and maintained by the AA of SA in the tables for “Estimated average fixed cost” under 14 000 km column an consists of the following

- Fixed cost of the vehicle as per definition , (paragraph 3.4) and
- Running cost of the vehicle as per definition, (paragraph 3.6)

C= the fixed total monthly kilometer distance as per this policy or as determined by the Municipality

7.5.2.2 TEMPORARY OR OCCASIONAL TRANSPORT ALLOWANCE (AD HOC)

An Ad hoc transport allowance for employees receiving travel allowance must be paid once a month with their salaries for actual kilometers travelled for official purposed during that month, and calculated according to the below formula.

An Ad hoc transport allowance for employees not receiving travel allowance must be paid twice monthly (7th and 25th) for actual kilometers travelled for official purposes during that month, and calculated according to the following formula:

$$A = B \times C$$

Where

A = the Ad hoc transport allowance

B = Running cost of the vehicle as per definition, (paragraph 5.6)

C = the actual distance travelled in the execution of official duties.

7.6 SUSPENSION OF TRANSPORT ALLOWANCE

7.6.1.1 Should an employee, who is occupying an allowance bearing position, be transferred at his/her own request to another position not bearing any transport allowance, no transport allowance shall be payable from the date of transfer

7.6.1.2 Should the Municipality decide to withdraw an employee's travel allowance for reasons other than those set out in Clause 7.6.1.1, the Municipality must, after consultation with such employee, give 6 months written notice of the withdrawal of the travel allowance.

7.7 TRAVEL ALLOWANCE AMOUNT

The maximum amount, which an employee may be subsidized, a vehicle is limited to 100% of the employee's annual salary excluding annual bonus and any allowance, with the exception of the Municipal Manager and the Section 57 employees.

7.8 VEHICLE AVAILABILITY

It shall be required of the employee receiving a motor vehicle allowance to avail and make use of the vehicle at all times except when circumstances are beyond the control. The employee who can not use his vehicle must disclose the reasons thereof to his/her supervisor. In such circumstances the municipality will avail the council vehicle for the maximum period of three months and the employee will forfeit his/her travel allowance for such period.

7.9 INTERVIEWS

No travelling or subsistence will be paid out to candidates who come for interviews.

7. RATES POLICY

1. PREAMBLE

This policy must be implemented to give effect to the following listed Legislative Provisions:

- (i) Section 3 of the Local Government: Municipal Property Rates Act (No 6 of 2004);
- (ii) Section 229(i)(a) of the Constitution of the Republic of South Africa of 1996 (No 108 of 1996);
- (iii) Section 4(1)(C) of Local Government Municipal Systems Act of 2000 (Act 32 of 2000);
- (iv) Section 62(1)(F)(ii) of the Local Government Municipal Finance Management Act of 2003 (Act 56 of 2003).
- (v) Section 155(6), 156(1)(b) and 156(2) of the Constitution of South Africa of 1996 (Act no 108 of 1996)
- (vi) Section 2,3,6, 17 and 23 of the Local Government: Municipal Systems Act of 2000 (Act 32 of 2000)
- (vii) Section 12 & 18 of the Local Government: Municipal Structures Act of 1998 (Act 117 of 1998)
- (viii) Land tenure rights in terms of the Communal Rights Act of 2004 (Act No 11 of 2004)
- (ix) Section 10 of the National Environmental: Protected Areas Act of 2003 (Act 57 of 2003)
- (x) Section 30 read with Part 1 of Schedule 9 of the Income Tax Act of 1962 (Act No 58 of 1962)
- (xi) Schedule 2 & 3 of the Public Finance Management Act of 1999 (Act No 1 of 1999)
- (xii) Communal Property Associations Act of 1996 (Act 28 of 1996)
- (xiii) Provision of Land and Assistance Act of 1993 (Act No 126 of 1993)
- (xiv) Restitution of Land Rights Act of 1994 (Act No 22 of 1994)
- (xv) A trustee in the case of a property in a trust excluding state trust land
- (xvi) An executor or administrator, in the case of property in a deceased estate.
- (xvii) A trustee or liquidator in the case of property in an insolvent estate or in liquidation.
- (xviii) A judicial manager, in the case of property in the estate of a person under judicial management
- (xix) A curator in case of property in the estate of a person under curatorship
- (xx) A usufructuary or other person in whose name a usufruct or other personnel servitude is registered, in the case of property that is subject to a instruct or other personal servitude.
- (xxi) A lessee, in the case of a property that is registered in the name of the municipality and is leased by it or
- (xxii) A buyer, in the case of a property that was sold by a municipality and of which procession was given to the buyer pending registration of ownership in the name of the buyer.
- (xxiii) in such scheme according to the quota as registered in the scheme.

The municipality need a reliable source of revenue to provide basic services and perform its functions. Property rates are the most important source of general revenue for the municipality. Revenue from property rates is used to fund services that benefit the community as a whole as opposed to individual households. These include installing and maintaining streets, roads, sidewalks, lighting, and storm drainage facilities; and building and operating clinics, parks, recreational facilities and cemeteries. Property rates revenue is also used to fund municipal administration, such as computer equipment and stationery, and costs of governance, such as council and community meetings, which facilitate community participation on issues of Integrated Development Plan (IDP's) and municipal budgets.

Municipal property rates are set, collected, and used locally. Revenue from property rates is spent within a municipality, where the citizens and voters have a voice in decisions on how the revenue is spent as part of the integrated Development Plans (IDPs) and budget processes, which a municipality invites communities to input prior to municipal council adoption of the budget.

2. DEFINITIONS

“**Act**” means the Local Government: Municipal Property Rates Act, 2004 (Act No. 6 of 2004)

“Agricultural Purposes” in relation to the use of a property, excludes the use of a property for the purpose of eco-tourism or for the trading in or hunting of game.

“annually” means once every financial year

“Business” means the activity of buying, selling or trading in goods and / or services and includes any office or other accommodation on the same erf, the use of which is incidental to such business, with the exclusion of the business of mining, agriculture, farming, or inter alia, any other business consisting of cultivation of soils, the gathering of crops or the rearing of livestock or consisting of the propagation and harvesting of fish or other aquatic organisms.

“exemption” in relation to the payment of a rate means an exemption granted in terms of clause 9 of the policy.

“Industrial” means a branch of trade or manufacturing, production assembling or processing of finished or partially finished products from raw materials or fabricated part, on so large scale that capital and labour are significantly involved.

“Mining” means any operation or activity for the purpose of extracting any mineral on, in or under the earth, water or any residue deposit, whether by underground or open working or otherwise and includes any operation or activity incidental thereto;

“Multiple use properties” means properties that cannot be assigned to a single category due to different uses.

“Municipal properties” means those properties of which the municipality is the owner.

“Municipality” means the municipal council for the municipal area of Modimolle.

“Newly rateable property” means any rateable property on which property rates were not levied by 30 June 2005, excluding a property that was incorrectly omitted from a valuation roll and for that reason was not rated before that date.

“owner” means a person in whose name ownership of the property is registered, a person in whose name the right is registered or whom it was granted in terms of legislation, the organ of state which owns or controls that public service infrastructure.

Provided that any natural person or legal entity in anyone of the under mentioned capacities may for the purpose of these policy be regarded by the municipality as the owner of the property in the following cases and /or capacities-

- (a) a trustee, in the case of a property I a trust excluding State Trust land;
- (b) an executor or administrator, in the case of property in a deceased estate;
- (c) a trustee or liquidator, in the case of property in an insolvent estate or in liquidation
- (d) a judicial manager, in the case of property in the estate of a person under judicial management
- (e) a curator, in the case of property in the estate of a person under judicial management
- (f) a usufructuary or other person in whose name a usufruct or other personal servitude is registered, in the case of property that is subject to a usufruct or other personal servitude;
- (g) a lessee, in the case of a property that is registered in the name of the municipality and is leased by it; or

(h) a buyer, in the case of a property that was sold by the municipality and of which possession was given to the buyer pending registration of ownership in the name of the buyer;

“property” means:

- (a) Immovable property registered in the name of a person, including in the case of a sectional title scheme, a sectional title unit registered in the name of a person
- (b) A right registered against immovable property in the name of a person, excluding a mortgage bond registered against the property
- (c) A land tenure right registered in the name of a person or granted to a person in terms of legislation
- (d) Public service infrastructure

“Protected area” means an area that is or has to be listed in the register referred to in Section 10 of the National Environmental Management: Protected Areas Act, 2003, Biodiversity Act, 2004.

“Public Service Infrastructure” means publicly controlled infrastructure of the following kinds:

- (a) national, provincial or other public roads on which goods, services or labour move across a municipal boundary;
- (b) water or sewer pipes, ducts or other conduits, dams and water supply reservoirs, water treatment plants or water pumps forming part of a water or sewer scheme serving the public;
- (c) power stations, power substations or power lines forming part of an electricity scheme serving the public;
- (d) gas or liquid fuel plants or refineries or pipelines for gas or liquid fuels, forming part of a scheme for transporting such fuels;
- (e) railway lines forming part of a national railway system;
- (f) communication towers, masts, exchanges or lines forming part of a communications system serving the public;
- (g) runways or aprons at national or provincial airports;
- (h) breakwaters, sea walls, channels, basins, quay walls, jetties, roads, railway or infrastructure used for the provision of water, lights, power, sewerage or similar services of ports, or navigational aids comprising lighthouses, radio navigational aids, buoys, beacons or any other device or system used to assist the safe and efficient navigation of vessels;
- (i) any other publicly controlled infrastructure as may be prescribed; or
- (j) rights of way, easements or servitudes in connection with infrastructure mentioned in paragraphs (a) to (i).

“rate” means a municipal rate on property envisaged in Section 229(1)(a) of the Constitution of 1996

“rateable property” means property on which a municipality may in terms of Section 2 of the Property Rates Act levy a rate, excluding property fully excluded from the levying of rates in terms of Section 17 of the said Act.

“rebate” means a discount in the amount of the rate payable of the property granted in terms of Clause 11 of these policy.

“reduction” means the following of the amount for which the property was valued and the rating of the property at that lower amount granted in terms of Clause 10 of the policy.

“Residential” means a suite of rooms which forms a living unit that is exclusively used for human habitation purposes, or a multiple number of such units on a property, excluding a hotel, commune, boarding and under taking, hostel and place of instruction.

“sectional title scheme” means a development scheme in terms of which sections in such development or an undivided share wherein may be acquired by an owner as contemplated in the Sectional Titles Act

“sectional title unit” means a unit as define in Section 1 of the Sectional Title Act of 1986

Sectional Title Unit in terms of the Sectional Title Act of 1986 (Act 95 of 1986) means a sectional that could be privately owned as well as the common areas and exclusive rights areas.

Sectional Title Scheme in terms of Sectional Title Act of 1986 (Act 95 of 1986) a person may acquire ownership in separate sectional title units built on one property as well as an undivided share in the common areas on such property within the development scheme. Such development scheme may differentiate between common areas and exclusive.

“State-owned properties” means properties owned by the State, which are not included in the definition of public service infrastructure in the Act. These state-owned properties are classified as follows:

- (a) State properties that provide local services.
- (b) State properties that provide regional/municipal district-wide/metro-wide service.
- (c) State properties that provide provincial/national service.

“Vacant land” means a land where no immovable improvements have been erected.

NB: All other terms are used within the context of the definitions contained in the Local Government: Municipal Property Rates Act, 2004 (Act 6 of 2004).

3. **OBJECTIVES**

The purpose of this policy is to regulate the power of a municipality to impose rates on property.

To determine categories of rateable properties.

To exclude certain properties from rating in the national interest.

To implement a transparent and fair system of exemptions, reductions and rebates through their rating policies.

To make provision for fair and equitable valuation methods on properties.

To make provision for an objections and appeals process.

To assist in building economically and financially viable municipality which will meet the service delivery priorities of their communities.

To impose rates policy that supports and encourage economic growth and job creation.

4. POLICY PRINCIPLES

- 4.1** Rates are levied in accordance with the Local Government Municipal Property Rates Act of 2004 (Act 6 of 2004) as an amount in the rand based on the market value of all rateable property contained in the municipality's valuation roll and Supplementary Valuation Rolls.
- 4.2** The rates policy for the municipality is based on the following principles:
- (a) **Equity** : The municipality will treat all ratepayers with similar properties the same.
 - (b) **Affordability** : The ability of a person to pay rates will be taken into account by the municipality. In dealing with the poor/indigent, the municipality will provide relief measures through exemptions, reductions or rebates in terms of the indigent policy.
 - (c) **Sustainability** : Rating of property will be implemented in a way that:
 - (i) it supports sustainable local government by providing a stable and buoyant revenue source within the discretionary control of the municipality and;
 - (ii) Supports local, social and economic development
 - (d) **Cost efficiency**: Rates will be based on the value of all rateable property and the amount required by the municipality to finance the expenditure as per approved budget.
- 4.3** The calculation of property rates will be determined as follows: e.g.
- The financial liabilities for municipal property rates are calculated by multiplying the market value of immovable property (e.g. land and buildings) by a cent amount in the Rand that a municipal council has determined. For example:
 - If the market value of immovable property (land and buildings) is R50 000,00 and the cent amount in the Rand is R0.015 (which is 1.5 cent) then
 - Amount due for property rates = $R50\,000,00 \times 0.015 = R750$ for the whole year which means that every month the property owner will pay R62,50 (this is calculated by dividing R750,00 by 12 as the year has 12 months) to the municipality.
 - If the immovable property in question is used as a residential property (home) or if it is used for multiple purposes, provided one or more of its components are used for residential purposes.
 - The cent amount in the Rand will be paid after deducting the first R15 000,00 of the market value of such residential property including agricultural properties where owners reside on the property, which means that the R0.015 will be applied to R35 000,00 rather than R50 000,00 (i.e. R50 000,00 less R15 000,00).
 - The rates payable by the homeowner and agricultural owners or farm owners will then be $= R35\,000,00 \times 0.015 = R525$ for the whole year, which means that every month the property owner will pay R43,75 to the municipality.

NB: The cent amount in the Rand is decided by the Municipal Council taking into account public comments/submissions/inputs on the Municipal Council's draft rates policy and budget that is subjected to the process of community participation in line with Chapter 4 of the Municipal Systems Act and the Municipal Finance Management Act.

5. CATEGORIES OF PROPERTIES

5.1 The municipality has chosen to differentiate between various categories of property and categories of owners of property. Some categories of property and categories of owners are granted relief from rates. The municipality however does not grant relief in respect of payments for rates to any category of owners or properties, or to owners of properties on an individual basis, other than by way of an exemption, rebate or reduction provided for in this policy.

5.2 The municipality has determined categories of properties based on the following criteria:

- Use of the property.

The following are the determined categories of properties by the municipality:

- Single Residential properties
- Multiple Residential Properties (security villages, golf estates and blocks of flats)
- Business & Commercial properties
- Industrial properties
- Mining properties
- Public service infrastructure properties
- Public Benefits Organisation properties
- Agricultural properties used for agricultural purposes including game farming and hunting.
- State-owned properties:
 - (i) State properties that provide local services
 - (ii) State properties that provide regional/municipal district-wide/metro-wide service
 - (ii) State properties that provide provincial/national service
- Municipal properties
- Protected area properties
- Multiple use properties
- Vacant land

5.3 Organisations providing services to themselves e.g. (Kokanje Retirement Resort)

6. CLASSIFICATION OF SERVICES AND EXPENDITURE

6.1 The municipal manager or his/her nominee must, subject to the guidelines provided by the National Treasury and the Executive Committee of the municipality, make provision for the following classification of services:

(a) Trading services:

- (i) Water
- (ii) Electricity

(b) Economic services:

- (i) Refuse removal
- (ii) Sanitation

(c) Community services

i) Air pollution
ii) Fire fighting services
iii) Local tourism
iv) Municipal planning
v) Municipal public works, only in respect of the needs of municipalities in the discharge of their responsibilities and to administer functions specially assigned to them under the Constitution or any other law

- vi) Storm water management system in built-up areas
- vii) Trading regulations
- viii) Fixed billboards and the display of advertisements in public places
- ix) Cemeteries
- x) Control of public nuisances
- xi) Control of undertakings that sell liquor to the public
- xii) Township development
- xiii) Facilities for accommodation, care and burial of animals
- xiv) Fencing and fences
- xv) Licensing of dogs
- xvi) Licensing and control of undertakings that sell food to the public
- xvii) Local amenities
- xviii) Local sport facilities
- xix) Municipal parks and recreation
- xx) Municipal roads
- xxi) Noise pollution
- xxii) Animal Pounds
- xxiii) Public places
- xxiv) Street trading
- xxv) Street lighting
- xxvi) Traffic and parking
- xxvii) Building control
- xxviii) Licensing of motor vehicles and transport permits
- xxix) Nature reserves
- xxx) Forestry

(d) Subsidised services

- (i) Health and ambulance
- (ii) Libraries and museums
- (ii) Proclaimed roads

6.2 Trading and economic services must be ring fenced and financed from service charges while community and subsidized services will be financed from profits on trading and economic services, regulatory fees, rates and rates related income.

6.3 Expenditure will be classified in the following categories:

- (a) Salaries, wages and allowances
- (b) Bulk purchases
- (c) General expenditure
- (d) Repairs and maintenance
- (e) Capital charges (interest and redemption)/depreciation
- (f) Contribution to fixed assets
- (g) Contribution to funds-
 - (i) bad debts
 - (ii) working capital; and
 - (iii) statutory funds
- (h) Contribution to reserves
- (i) Gross expenditure
- (j) Less charge-out
- (k) Net expenditure
- (l) Income
- (m) Surplus/Deficit

6.4 Cost centres will be created to which the costs associated with providing the service can be allocated-

- (a) by Department
- (b) by Section/service; and
- (c) by Division/service

6.5 The subjective classification of expenditure each with an unique vote will be applied to all cost centers.

7. DIFFERENTIAL RATING

7.1 Criteria for differential rating on different categories of properties will be according to:

- nature of the property including its sensitivity to rating e.g. agricultural properties used for agricultural purposes.

vacant land will be rated higher (in terms of a cent amount in a rand) as the municipality is encouraging owners of vacant land to develop it and that vacant land should not be used for speculation purposes by owners.

- promotions of social and economic development of the municipality.
- differential rating among the various categories will be done by way of setting different cent amount in the rand for each property category.
- by way of reductions and rebates.

8. CATEGORIES OF OWNERS FOR GRANTING EXEMPTIONS, REBATES AND REDUCTIONS

Criteria for determining categories of owners of properties, for the purpose of granting exemptions, rebates and reductions will be according to the:

- (a) indigent financial status of the owner of a property;

- (b) sources of income of the owner of a property
- (c) owners of property situated within an area affected by-
 - i) a disaster within the meaning of the Disaster Management Act, 2002 (Act No. 57 of 2002); or
 - ii) any other serious adverse social or economic conditions;
- (d) owners of residential properties with a market value below a determined threshold; or
- (e) owners of agricultural properties who are *bona fide* farmers

9. EXEMPTIONS

9.1 The following categories of property are exempted from rates:

(a) Municipal properties: Municipal properties are exempted from paying rates as it will increase the rates burden or service charges to property owners or consumers and thereby create double-taxation.

(b) Residential properties: All residential properties with a market value of less than R35 000 are exempted from paying rates. The R15 000 impermissible rates contemplated in terms of Section 17(1)(h) of the Property Rates Act is included in the R35 000 amount. This is an important part of the council's indigent policy and is aimed primarily at alleviating poverty. Including properties build under the National Housing Subsidy Scheme for the poor.

NB: The following are exempted:

- Indigent owners
- Owners dependent on pension or social grants for their livelihood
- Owners of residential property under R35 000,00.

(c) Cemeteries and crematoriums: Registered in the names of private persons and operated not for gain.

(d) Public Service Infrastructure: organisations exempted from paying rates as they provide essential services, goods, services or labour.

(e) Public Benefit Organisations: the following public Benefit Organisations may apply for the exemption of property rates subject to producing a tax exemption certificate issued by the South African Revenue Services (SARS) as contemplated in part 1 of the Ninth Schedule of the Income Tax Act, 1962 (No. 58 of 1962):

(i) Health care institutions: Properties used exclusively as a hospital, hospice, clinic and mental hospital, including workshops used by the inmates, laundry or cafeteria facilities, provide that any profits from the use of the property are used entirely for the benefit of the institution and/or to charitable purposes within the municipality.

(ii) Welfare institutions: Properties used exclusively as a orphanage, non-profit retirement villages, old age home or benevolent institution, including workshops used by the inmates, laundry or cafeteria facilities, provided that any profits from the use of the property are used entirely for the benefit of the institution and/or the charitable purposes within the municipality.

(iii) Educational institutions: Property belonging to educational institutions declared or registered by law and are used solely for educational purposes.

- (iv) Independent schools: Property used by registered independent schools for educational purposes only.
- (v) Charitable institutions: Property belonging to non-for-gain institutions or organizations that perform charitable work.
- (vi) Sporting bodies: Property used by an organization whose sole purpose is to use the property for sporting purposes on a non-professional basis.
- (vii) Cultural institutions: Properties declared in terms of the Cultural Institutions Act, Act 29 of 1969 or the Cultural Institutions Act, Act 66 of 1989.
- (viii) Museums, libraries, art galleries and botanical gardens: registered in the name of private persons, open to the public and not operated for gain.
- (ix) Youth development organizations: Property owned and/or used by organizations for the provision of youth leadership or development programmes.
- (x) Animal welfare: Property owned or used by institutions/organizations whose exclusive aim is to protect birds, reptiles and animals on a not-for-gain basis.
- (xi) Religious organizations: Property owned or used by religious organizations whose exclusive aim is religious orientated.

9.2 Exemptions will be subject to the following conditions:

- (a) pension or social grant proofs including an affidavit lodged with the municipality annually.
- (b) all applications must include a constitution of the organization and be addressed annually in writing to the municipality.
- (c) a SARS tax exemption certificate must be attached to all applications;
- (d) the municipal manager or his/her nominees (committee) must approve all applications;
- (e) applications must reach the municipality before the end of October preceding the start of the new municipal before the new municipal financial year for which relief is sought; and
- (f) the municipality retains the right to refuse exemptions if the details supplied in the application form were incomplete, incorrect or false.

Duty of Property Owner

A property owner whose property falls under the category of properties eligible for tax/rebates shall inform the Municipal Council of the status of such property.

10. REDUCTIONS

10.1 A reduction in the municipal valuation as contemplated in Section 15(1)(b) of the Act will be granted where the value of a property is affected by:

- (a) a disaster within the meaning of the Disaster Management Act, 2002 (Act No. 57 of 2002); or
- (b) any other serious adverse social or economic conditions.

10.2 The reduction will be in relation to the certificate issued for this purpose by the municipal valuer.

10.3 All categories of owners can apply for a reduction in the rates payable as described above.

11. REBATES

11.1 Categories of property:

(a) Business, commercial and industrial properties:

(i) The municipality may grant a rebate of 20% to rateable enterprises that promote local, social and economic development in its area of jurisdiction, based on its Local, Social and Economic Development Policy.

The following criteria will apply:

(a) permanently employ more than twenty (20) workers with South African citizenship for at least a continuous period of twelve (12) months, and the salaries/wages are strictly in terms of the minimum standards set by the Department of Labour:

(b) social upliftment of the local community; and

(c) creation of infrastructure for the benefit of the community

(ii) Rebates will be granted on application subject to:

(a) a business plan issued by the directors by the 30th of September each year, of the company indicating how the local, social and economic development objectives of the municipality are going to be met;

(b) a continuation plan issued by the directors and certified by auditors of the company stating that the objectives have been met in the first year after establishment and how the company plan to continue to meet the objectives;

(c) an assessment by the municipal manager or his/her nominee indicating that the company qualifies; and

(d) a municipal council resolution

(b) State properties:

Receive a rebate of 20%.

(c) Residential properties:

The municipality grants a 20% rebate, which applies to improved residential property that is:

(i) used predominantly for residential purposes, with not more than two dwelling units per property;

(ii) registered in terms of the Sectional Title Act;

(iii) owned by a share-block company;

(iv) a rateable residence on property used for a related to educational purposes

(d) Agricultural property rebate:

The following rebates will apply:

a) The extent of municipal services provided to agricultural properties:

- i) 7,5% rebate, if there are no municipal maintenance to roads servicing the property
- ii) 7,5% rebate, if there is no municipal sewerage to the property.
- iii) 7,5% rebate, if there is no municipal electricity to property.
- iv) 20% rebate, if water is not supplied by the municipality.
- v) 7,5% rebate, if there is no refuse removal that is provided by the municipality.

b) The contribution of agriculture to the local economy:

A rebate of 5% will be granted to agricultural property owners contributes to job creation and the salaries / wages are strictly in terms of the minimum standards set by the Department of Labour (i.e. standards set by Government or if in line with sectors average)

c) The following rebates will be granted to the extent to which agriculture assists in meeting service delivery and development obligations of the municipality and contributions to the social and economic welfare of farm workers:

- i) 5% rebates, if the owner is providing permanent residential property to the farm workers and such property is registered in the name of these farm workers, proof must be provided or if the owner is providing housing which qualifies under Labour Legislation.
- ii) 5% rebate if the farmer for the farm workers electrifies such residential property
- iii) 5% rebate, if such residential properties are provide with potable water.
- iv) 5% rebate, if the farmer is availing his land/buildings to be used for either cemetery, education or recreational purposes of the farm workers' and their family and nearby community in general, etc.

A further 5% rebate will apply for the following:

(i) Qualifying requirements are that the owner should be taxed by SARS as a farmer and the last tax assessment must be provided as proof;

or

(ii) where the owner is not taxed as farmer, proof is required that income from farming activities exceeds 40% of the household income;

or

(iii) registered as taxpayer with SARS, registered VAT with SARS, registered for UIF (and or Compensation Commissioner) for farm workers. Registered numbers to be supplied by farmer.

11.2 Categories of owners:

a) Retired and Disabled Persons Rate Rebate

i) Retired and Disabled Persons qualify for special rebates according to monthly household income. To qualify for the rebate a property owner must:

- a) occupy the property as his/her normal residence
- b) be at least 60 years of age or in respect of a disability, be receiving a pension from the Department of Welfare and population Development;
- c) be in receipt of a total monthly income from all sources (including income of spouses of owner) not exceeding R5 400;
- d) not be the owner of more than one property;
- e) if the owner of property owns more than one property, he/she qualifies for rebate on one property only, other criteria being met; and
- f) provided that where the owner is unable to occupy the property due to no fault of his/her own, the spouse or minor children may satisfy the occupancy requirement.

ii) property owners must apply on a prescribed application form for a rebate as determined by the municipality.

iii) Applications must be accompanied by-

- a) a certified copy of the identity document or any other proof of the owners age which is acceptable to the municipality;
- b) sufficient proof of income of the owner and his/her spouse;
- c) an affidavit from the owner;
- d) if the owner is a disabled person proof of a disability pension payable by the state must be supplied; and
- e) if the owner has retired at an earlier stage, for medical reasons, proof thereof must be submitted

iv) These applications must reach the municipality before the end of October preceding the start of the a new municipal financial year for which relief is sought.

v) The municipality retains the right to refuse rebates if the details supplied in the application form were incomplete, incorrect or false.

12. COST TO THE MUNICIPALITY DUE TO EXEMPTION REDUCTIONS, REBATES, EXCLUSIONS, PHASING IN AND BENEFIT THEREOF TO THE LOCAL MUNICIPALITY

Information within the following format shall be submitted to Council on an annual basis to report on the related cost to Council:

(a) Costs associated with exemptions, reductions, rebates, exclusions and phasing in of rates:

(1) Exemptions	R
Municipal properties	_____
Residential properties	_____
Cemeteries and crematoriums	_____
Public Service Infrastructure	_____
Public benefit organizations	_____
(2) Reductions	
Properties affected by disaster	_____
Properties effected by serious adverse	_____
Social or economic conditions	_____
(3) Rebates Enterprises that promote local, social and economic development	
State properties	_____
Residential properties and disabled persons	_____
(4) Phasing in newly rateable property land reform	
Beneficiaries	_____
(5) Exclusions	
Public Service infrastructure	_____
Protected areas	_____
Land reform beneficiary	_____
Residential property	_____
Public places of worship	_____

- (b) The benefit to the community of granting relief measures will be:
- (i) The promotion of local economic development including attracting business investment e.g. small business establishment
 - (ii) creation of employment for municipal residents
 - (iii) promotion of service delivery e.g. farmers
 - (iv) poverty alleviation to the indigents
 - (v) social development and moral development e.g. by religious institutions, sports institutions, schools and other non governmental organizations which promote health and other benefit to the community and
 - (vi) improved local economic growth

13. RATES INCREASES/DECREASES

- (a) The following will be taken into account for purpose of increasing/decreasing account rates:
- Priorities of a municipality reflected in its Integrated Development Plan.
 - Revenue needs of the municipality.
 - Need for management of rates shocks.
 - Affordability of rates to ratepayers.
- (b) The municipality will consider increasing or adjusting rates annually during the budget process in terms of the guidelines issued by National Treasury from time to time.
- (c) Rate increases and/or adjustments will be used to finance the operating costs of community and subsidized services.
- (d) Relating to community and subsidized services the following annual adjustments will be made:
- i) All salary and wage increases as agreed at the South African Local Government Bargaining Council and in terms of the remuneration of Public Office Bearers Act; as amended;
 - ii) An inflation adjustment for general expenditure, repairs and maintenance and contributions to statutory funds; and
 - iii) Additional depreciation costs or interest and redemption on loans associated with the assets created during the previous financial year.
- (e) Affordability of rates to ratepayers.
- (f) All increases and adjustments in property rates will be communicated to the local community in terms of the municipality's policy on community participation.

14. NOTIFICATION OF RATES

(a) The municipality will give notice of all rates approved at the annual budget meeting at least 30 days prior to the date that the rates become effective. Accounts delivered after the 30 days notice will be based on the new rates.

(b) A notice stating the purport of the municipality's resolution and the date on which the new rates become operational will be displayed by the municipality at places installed for that purpose.

15. PAYMENT OF RATES

15.1 Ratepayers may choose between paying rates annually in advance with one instalment on or before the 15th of August of each year or in the twelve equal instalments on or before the fifteenth day of the month following on the month in which it becomes payable.

15.2 Interest on arrears rates, whether payable on or before the 15th of August or in equal monthly instalments, shall be calculated in accordance with the provisions of the credit control, debt collection and indigent policies of the municipality.

15.3 If a property owner who is responsible for the payment of property rates in terms of this policy, fails to pay such rates in the prescribed manner, it will be recovered from him/her in accordance with the provisions of the Credit Control, Debt Collection and indigent policy of the Municipality.

15.4 Arrears rates shall be recovered from tenants, occupiers and agents of the owner, in terms of Section 28 and 29 of the Act.

15.5 Where the rates levied on a particular property have been incorrectly determined, whether because of an error or omission on the part of the municipality or false information provided by the property owner concerned or a contravention of the permitted use to which the property concerned may be put, the rates payable shall be appropriately adjusted for the period extending from the date on which the error or omission is detected back to the date on which rates were first levied in terms of the current valuation roll.

15.6 In addition, where the error occurred because of false information provided by the property owner or as a result of a contravention of the permitted use of the property concerned, interest on the unpaid portion of the adjusted rates payable shall be levied at the maximum rate permitted by prevailing legislation.

16. ANNUAL REVIEW OF RATES POLICY

The municipality will annually review, and if necessary amend its rates policy taking into account public comments and inputs.

17. THE EFFECTIVE DATES OF THE RATES POLICY

The rates policy takes effect from the start of the municipal financial year 1 July 2008 and thereafter on the 1st of July of every year.

ADDENDUM

LEGAL REQUIREMENTS THAT ALL MUNICIPALITEIS MUST COMPLY WITH IN TERMS OF THE MUNICIPAL PROPERTY RATES ACT, 2004 (ACT NO 6 OF 2004) WITH REGARD TO RATES POLICY DEVELOPMENT

This addendum does not contain all provisions of the Act that must be complied with the development of rates policy, but list just a few key provisions that the municipality deems it necessary for residents / ratepayers to be aware so that they get full picture of rating issues that will affect them.

(1) IMPERMISSIBLE RATE

A Municipality may not levy a rate on the following in terms of Section 17(1) of the Act:

- On the first R15 000,00 of the market value of public service infrastructure any part of the seashore in terms of Section 17(1)(b) of the Act.
- Any part of the seashore in terms of Section 17(1)(b) of the Act.
- Any part of the territorial waters of the Republic in terms of Section 17(1)(c) of the Act.
- Any island which the state is the owner in terms of Section 17(1)(d) of the Act.
- Protected areas in terms of Section 17(1)(e) of the Act.
- Mineral rights in terms of Section 17(1)(f) of the Act.
- Properties belonging to land reform beneficiaries in terms of Section 17(1)(g) of the Act.
- On the first R15 000,00 of the market value of residential in terms of Section 17(1)(h) of the Act.
- Religious Institutions in terms of Section 17(1)(i) of the Act.

(2) COMPULSORY PHASING IN OF CERTAIN RATES

Rates levied on a newly rateable property must be phased in over a period of three to four years depending on the ownership and use of such a property in terms of Section 21 of the Act. Agricultural land will be recognized as newly rateable property and phased in over a period of 3 years as provided for in the above-mentioned Act.

First year 75% of the relevant rate

Second year 50% of the relevant rate

Third year 25% of the relevant rate

(3) PRESCRIBED RATIOS

The municipality will comply with the ratios set by the Minister of Provincial and Local Government in concurrent with the Minister of Finance in terms of Section 19 of the Act.

(4) LIMITS ON ANNUAL INCREASES OF RATES

The municipality will comply with the notice issued by the Minister of Provincial and Local Government in concurrence with the Minister of Finance regarding the set upper limit on the percentage by which rates on properties or a rate on a specific property may be increased in terms of Section 20 of the Act.

8. PETTY CASH POLICY

1. PREAMBLE

This policy is issued under the authority of SCM Regulation 15 issued in terms of MFMA. It complements the SCM Policy and establishes a control framework for petty cash as an acquisition and payment instrument.

A petty cash float is used to facilitate and accelerate the processing of low value transactions with minor official expenditures. Minor expenditures are defined as less than R150 unless authorised by the CFO. Due to inherent costs and time required to process financial transactions, it becomes practical, economical and recommended to use petty cash to process low value payments where the transaction cost (e.g. electronic transfer or cheque costs) is high.

2. DEFINITIONS

A petty cash float is an authorised cash advance issued to an official the Modimolle Local Municipality who will be responsible for the security of the fund and the control of disbursements made from the fund.

3. SCOPE OF APPLICATION

This policy is applicable to all employees and Councillors of Modimolle Local Municipality.

4. POLICY OBJECTIVE

To ensure the cost-effective and efficient use of petty cash funds while maintaining the required level of control.

5. POLICY STATEMENT

- 5.1 It is Modimolle Local Municipality policy to use petty cash funds for making small miscellaneous payments herein called minor expenditure when immediate settlement is required or when this method of payment is more cost-effective.
- 5.2 A petty cash float shall not exceed R2,000 and no single expenditure from that fund shall exceed R150 per transaction without the prior approval of the CFO. The expenditure shall not be deliberately split to avoid the said limit.
- 5.3 The total amount of petty cash, in the form vouchers or cash, shall be counted (physical verification) in full at year end before closure of Revenue for the financial year and there should always be an amount equal to R 2,000. This is in line with the accrual basis of accounting.

6. PROHIBITED PETTY CASH PAYMENTS

- 6.1 Petty cash advances must not be used to provide change, to give salary advances to employees or to cash cheques.
- 6.2 No personal use or check cashing from these funds is allowed. It shall be deemed an offense to use Petty Cash for private matters even if the intention is to repay.

- 6.3 Petty cash shall not pay for installment invoices such as rental or equipment or open orders even if the amount falls within the limit specified.
- 6.4 Petty cash shall not be used for:
- Energy drinks (e.g. Red Bull)
 - Car wash
 - Catering (except snacks, e.g. cookies)
 - Personal gifts (e.g. cakes and flowers for birthdays)
 - Petrol charges
 - Toll gate slips
 - Travel or any other claims
 - Assets
- 6.5 Deviation from the accepted accounting practices in the use of Petty Cash shall constitute a serious offense under the Disciplinary Code.
- 6.6 Petty Cash float or advances shall be for immediate withdrawal from the individual's salary if not accounted for within 10 working days.

7. AUTHORITY AND REPORTING

- 7.1 The CFO or the delegated person must ensure the control and safekeeping of petty cash funds (including suitable locks, keys or combinations in accordance with the suitable cash handling regulations and policies.
- 7.2 Excesses, shortages, losses and thefts must be reported and recorded promptly to the CFO.
- 7.3 Reporting on the utilisation of the petty cash shall be reported to the CFO on a monthly basis.
- 7.4 The custodian of a petty cash fund shall give a reconciliation to the CFO within 5 working days of the end of each month in which expenditures are incurred by showing that the cash on hand plus receipts, less paid vouchers equals the amount of the advance.

8. MONITORING

- 8.1 The Municipal Manager may conduct internal audits to evaluate compliance with this policy.
- 8.2 Periodic unannounced verifications of the petty cash advances should be made by internal audit to determine whether the funds are being used properly and to ensure that they are adequately protected against loss or misuse and are properly accounted for.
- 8.3 The Municipal Manager will monitor the effectiveness of this policy by reviewing internal audit reports.

9. ACCOUNTING AND CONTROL

- 9.1 Petty cash must be used when it is more cost-effective than other payment methods such as electronic transfer or cheques within the ambit of this policy.

- 9.2 Before establishing or increasing petty cash funds, the Divisional Manager: Expenditure must ensure that the security and safekeeping arrangements are commensurate with the risk of theft and the size of the petty cash fund.
- 9.3 There must be only one official, with one backup, delegated by the CFO responsible for a petty cash fund at any given time. Only these two persons should be allowed access to the cash in this fund. When the official is being changed, an acknowledgement must be obtained.
- 9.4 When disbursements are not made frequently, the custodian should check the petty cash fund at least once a week to ascertain that no theft has taken place.
- 9.5 If a shortage is discovered, it must be reported promptly to the CFO who, after reviewing the circumstances of the case, shall take whatever corrective or recovery action is necessary.
- 9.6 The custodian is required to reimburse losses and shortages unless the prescribed procedures were followed and the petty cash was properly secured; there is physical evidence of breaking-in and no act or omission on the part of the custodian contributed to the loss, as stipulated by the policy.

10. **SAFEKEEPING AND ADVANCING OF THE PETTY CASH**

- 10.1 The petty cash fund should be kept separately from other funds and to be safeguarded in a lockable cash box which should be kept locked not only after hours but also during normal business hours in a safe or a filing cabinet approved by the CFO. Keys and combinations should be kept in a secure place by the custodian.
- 10.2 All purchase requirements utilising petty cash shall be approved by the relevant Senior Manager prior to issuing.
- 10.3 An official to whom a petty cash advance is issued is personally responsible and any loss or shortage in respect of that advance may be recovered from that individual.
- 10.4 A Petty Cash voucher will be required indicating the amount requested and the reason for the purchase and items to be purchased.
- 10.5 All expenditures must have a properly filled out petty cash voucher with original invoices or receipts attached. If it is not possible to get these supporting documents, clearly explain this on the voucher. Once paid, these supporting documents must be stamped "paid" to prevent re-use. No payment will be made for lost receipts or invoices.
- 10.6 Claims must be made within two weeks of the actual expenditure being incurred. Failure to claim within this period will result in the expenditure being forfeited.
- 10.7 Repayment of all or part of a petty cash advance that has to be reimbursed must be made in full by the custodian in a single payment.
- 10.8 When the official delegated by the CFO issues a petty cash advance, he or she may at any time, by written notice to the official to whom the advance has been made, require an accounting and repayment of any unexpended balance. The custodian shall, not later than 2 days after receiving such notice, provide an accounting and repay the advance.

10.9 Petty cash will be issued Mondays to Fridays between the hours of 8h00 to 15h00 and reconciliation of petty cash will take place every Friday afternoon.

10.10 Replenishment of the petty cash fund can be done by the delegated official when the fund balance reaches the minimum of R 400.

11. REFERENCES

This policy is issued under the authority of section 15 of SCM Regulations and should be read in conjunction with the Supply Chain Management Policy.

12. IMPLEMENTATION

This policy must be implemented by all employees and councillors of Modimolle Local Municipality, but managers and supervisors should ensure that this policy is implemented effectively.

Any employee who breaches this policy shall be liable for disciplinary measures. prescribed procedures were followed and the petty cash was properly secured; there is physical evidence of breaking-in and no act or omission on the part of the custodian contributed to the loss, as stipulated by the policy.